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RECHARGE

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PLAYBOY ENTERPRISES, INC.

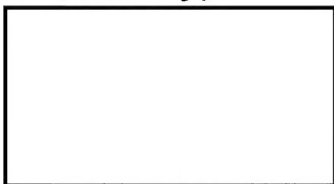
Special Agent in Charge
Federal Bureau of Investigation
Room 700, Federal Bldg. & U.S.
Court House
Milwaukee, WI 53202

Dear Sir:

Enclosed is Part Two of Playboy's "History of Organized Crime," a special eleven-part series that traces the history of crime from its tentative, immigrant beginnings to its present entrenched status in contemporary society. The response to Part One has been nothing less than extraordinary. Mayors, law enforcement officials, congressmen and other officials have written and called to commend us for this in-depth series. I hope you share their enthusiasm.

If you wish to receive the next nine installments in advance of publication, please return the enclosed stamped card. I would also be interested in your comments.

Cordially,

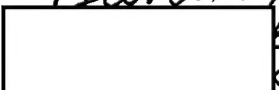
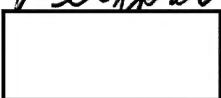


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FOR IMMEDIATE RELEASE

PLAYBOY'S HISTORY OF ORGANIZED CRIME,
PART II: CHICAGO AND THE PROHIBITION YEARS

"There's only one thing worse than a crook, and that's a crooked man in a big political job."

That was the opinion of the notorious gangster Al Capone, whose rampage through Chicago is detailed in the second of Playboy's 11-article series, "The History of Organized Crime," in the September issue.

Capone added, "A man who pretends he's enforcing the law and is really making dough out of somebody breaking it--a self-respecting hoodlum hasn't any use for that kind of fellow. He buys them like he'd buy an article necessary to his trade, but he hates them in his heart."

- more -

NEWS FROM PLAYBOY®

919 North Michigan Avenue, Chicago, Illinois 60611, 312/PL 1-8000

The wholesale corruption of politicians, writes Richard Hammer in Playboy, was a hallmark of the Prohibition era in Chicago. It was also a turning point for the gangster as Prohibition "cast an aura of semi-legitimacy over the organized underworld, which provided a product the public desired and could get nowhere else."

The Government estimated that the public was putting \$10 million a day into the pockets of bootleggers, and "the gangster, with his wealth and status, was becoming the master, and the politician and policeman his servants."

In Chicago, Capone expanded far beyond liquor, gambling and prostitution. By the end of 1928, according to the state's attorney's office, at least 91 Chicago unions and trade associations were under gangster rule.

"The underworld controlled everything from retail food and fruit to city-hall clerks to plumbers to bakers to carpetlayers to kosher butchers to movies and beyond. They collected initiation fees and monthly dues; in return, they offered employers protection from unions, unions the right to organize and to all, protection--from themselves."

The cost to the public was enormous. To raise protection money, merchants raised their prices so that the price of cleaning a suit was increased by 75 cents; the price of corned beef went up by 40 cents a pound. By the end of the 1920s, Mob control was costing consumers in Chicago \$136 million annually, or \$45 for every man, woman and child.

With the gangsters running bootleg beer and whiskey, rivalry was intense and blood flowed regularly as each gang leader tried to dominate the city and reap the millions to be made.

It was gang leader Johnny Torrio who proposed peace, suggesting that each gang have absolute control over its own territory, including control of whorehouses, gambling and speak-easies.

Torrio's proposal, an all-Chicago underworld council, was "the forerunner of the national Syndicate that would be created a decade and more later--with all the gangs represented and having equal voice...."

His proposal resulted in three years of peace and good times for the underworld, with riches pouring in. It was too good to last. When one rival, Spike O'Donnell, was released from jail, the gang wars started again.

Before the 1920s were over, the city and its environs were turned into a bloody battlefield with the loss of more than 1000 lives. Even Charlie "Lucky" Luciano was aghast, exclaiming after one visit, "A real goddamn crazy place. Nobody's safe in the streets."

It was also the era of the lavish gangster funeral, always made more lavish by those responsible for the killing. When the leader of the O'Banion mob was murdered, his \$10,000 casket was made of silver and bronze; 26 cars and trucks were needed to carry the floral decorations; there were three bands and a police escort. More than 10,000 marched in the funeral train; 5000 more waited at the cemetery, including judges, aldermen and assorted other public officials.

There was only one interruption of the supreme rule of the underworld in Chicago. It came during the regime of reform Mayor William E. Dever and led to the gangster takeover of Cicero, just west of the Chicago city line. Through a series of pressure tactics, and with the help of the Cook County sheriff, leader Johnny Torrio made Cicero a haven for Chicago gangland.

Torrio was the softspoken gangster who did not drink, smoke, gamble or chase women and opposed violence. But Al Capone,

whom Torrio had brought to Chicago, was his antithesis, with "a gargantuan appetite for food, liquor, gambling and women."

Capone once estimated that he lost more than \$10 million on horses alone during his Chicago years. A bout with a prostitute left him with syphilis, which went untreated, for he had a deadly fear of doctors. He eventually died of paresis.

The reform regime was soon gone and Mayor Wild Bill Thompson was back, his campaign chest enriched with a \$260,000 contribution from Capone, who also supplied plenty of bribes, terror and multiple votes. Chicago was open again. Capone once said that his payoffs to the police in the Thompson era averaged \$30 million a year and that "half of the force was on his payroll."

It was the infamous St. Valentine's Day massacre combined with the onset of the Depression that began public protest against the Mob. And by the last years of the Twenties, the underworld in the rest of the country was growing uneasy at Chicago's excesses.

In May 1929, a major national underworld conference was held in Atlantic City. Attending at the invitation of Enoch "Nucky" Johnson, bootlegger-gambler-racketeer-politician, were Frank

Costello, Meyer Lansky, Lucky Luciano, Dutch Schultz, Louis "Lepke" Buchhalter and others from New York. From Philadelphia came Max "Boo-Boo" Hoff, and there were representatives from Cleveland, Kansas City, Detroit, Boston.

With Prohibition coming to an end, and a mounting public outcry against Capone, it was agreed that Capone would have to go, and "with official connivance."

On his way home from Atlantic City, Capone, thanks to cooperative Philadelphia police, was picked up for carrying a concealed weapon, and given a year's sentence, of which he served 10 months in luxury.

But the Federal Government by now had a new tactic to catch the criminals--the income tax laws. And Al Capone, who tried to buy off the Internal Revenue Service with a \$1.5 million bribe, was finally indicted in 1931 for evading taxes. The Government could only estimate and prove a fraction of his real income, but that fraction amounted to \$1,038,655.84, on which he owed \$219,260.12 in back taxes and \$164,445.09 in penalties. He was found guilty and sentenced to 11 years, fined \$50,000, and an additional \$30,000 in court costs.

Capone was first jailed in Chicago, then transferred to Federal prison in Atlanta, and finally to Alcatraz, where he remained until 1939. He emerged a shattered man, his brain . destroyed by advanced syphilis. He spent the remaining seven years of life in guarded isolation on Palm Island.

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PLAYBOY'S HISTORY OF ORGANIZED CRIME PART II **CHICAGO** AND THE PROHIBITION YEARS

article

By RICHARD HAMMER

*and so it came to pass
that booze was banned,
free enterprise flourished
and the sound of
the tommy gun was heard
through the land*

BY 1920 Frankie Yale had grown rich, powerful and almost respectable. He owned the Harvard Inn at Coney Island and the Yale Cigar Manufacturing Company (his portrait was on every box, with the cigars selling three for 50 cents, carried in every store in Brooklyn, and Frankie Yale was the generic term for a lousy smoke), had pieces of race horses, prize fighters, night clubs and assorted other enterprises, legitimate and illegitimate. He owned a fleet of fast boats and when Prohibition came, he turned them loose for quick trips out beyond the three- or 12-mile limit, to what became known as "rum row,"

to off-load good whiskey shipped from Europe and the Caribbean and run it through the Coast Guard blockades to shore. He owned trucks for shipping the whiskey to speak-easies and bootleggers anywhere and everywhere. When the Mafia moved in on the Sicilian betterment and charitable organization known as the Unione Siciliana, he became its president, giving him increased power and stature as an ethnic leader. But what Yale prized most was his funeral parlor. "I'm an undertaker," he would often say. And, indeed, that was what he was, maintaining a crew of guns for hire to any paying customer.

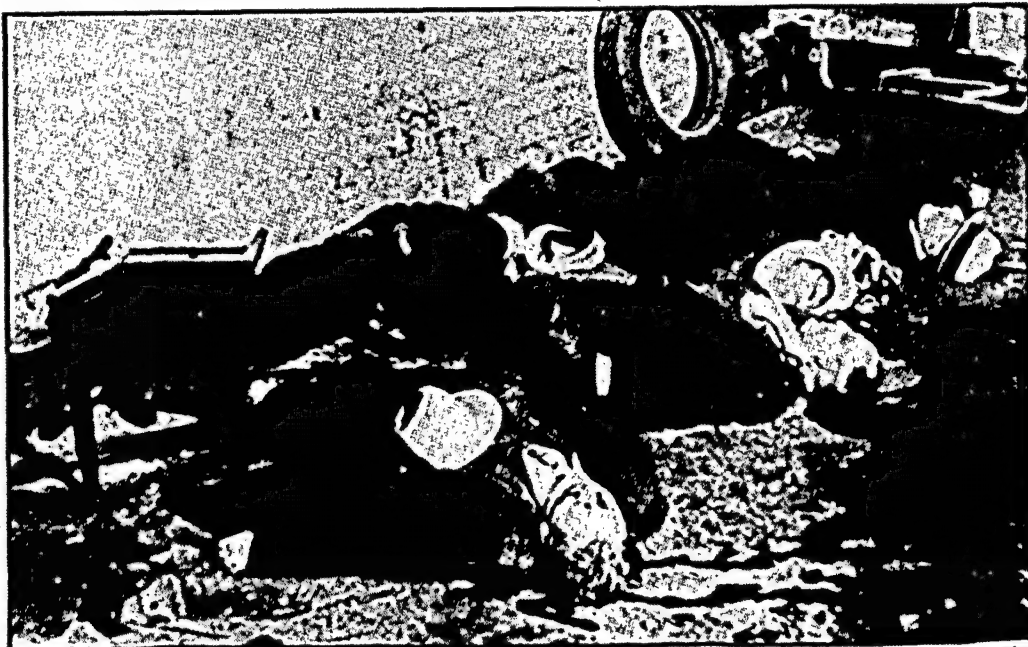
A call came early in 1920 from his old friend and one-time Harvard Inn partner, Johnny Torrio. There was a job to be done in Chicago and the price was \$10,000. Yale was not only willing to oblige but said he would do the job personally, for it was one that would make Torrio the king of the rackets in the nation's second city.

The 18th Amendment gave Torrio the opportunity he and others had long been waiting for. Maybe the politicians could outlaw booze, but all the laws and all the pious pronouncements were not going to stop thirsty people from finding ways to buy and drink



the stuff. And Torrio was determined to be there offering them the opportunities. There were plenty of loopholes in the Volstead Act for a persevering and farsighted man to make use of. A certain amount of liquor, was still going to be made legally, kept in bonded warehouses and released upon presentation of certificates; such certificates could be bought or counterfeited. Doctors would be able to prescribe liquor for medicinal purposes, and many a doctor could be bought and millions of such liquor prescriptions accumulated. Millions more could be counterfeited. There were 18,700 miles of unguarded borders surrounding the United States across which alcohol could be smuggled with little difficulty. Every bottle of liquor, when cut and reblended, then rebottled and relabeled (with

During the Twenties, Mayor William Hale "Big Bill the Builder" Thompson made Chicago the Midwestern mecca of booze and vice, which, he believed, were the secrets of civic prosperity. The era culminated in the Saint Valentine's Day Massacre (below)—seven men lined up and cut down in a North Clark Street garage.

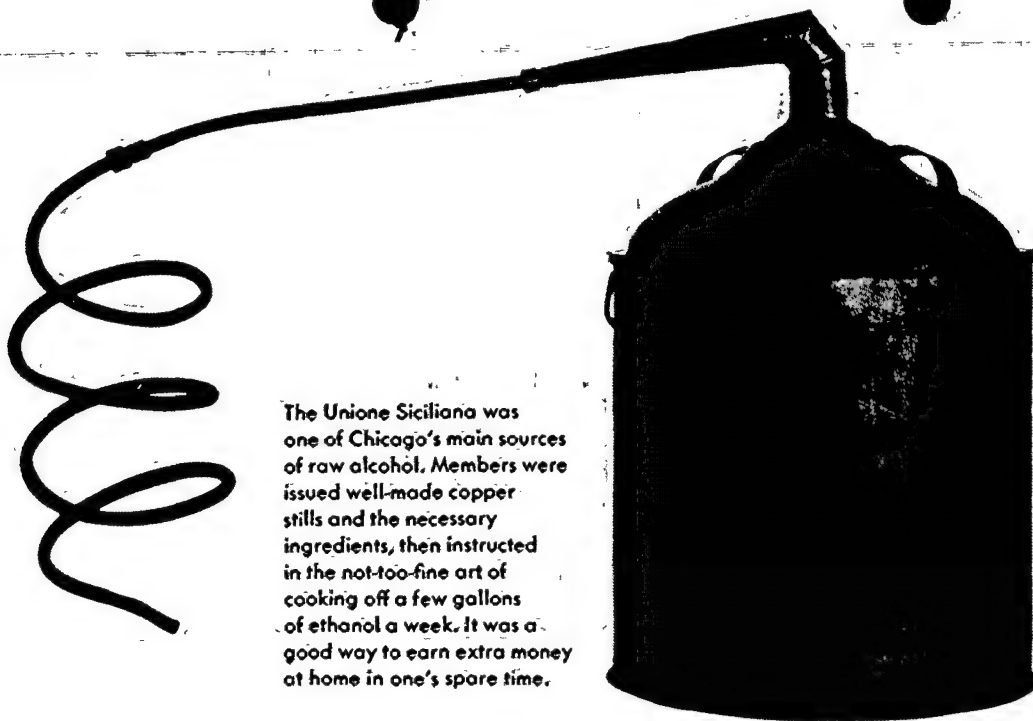




Below: "Machine Gun" Jack McGurn was one of those suspected of the Saint Valentine's Day Massacre of 1929. Seven years later, to the day, he walked into a bowling alley on Chicago's North Side and became machine-gunned Jack McGurn—shot in the back by gunmen with Thompsons and a poetic sense of revenge.



counterfeit bottles and labels indistinguishable from the real thing), could be turned into three, four or more and sold for far higher prices than before. A quart of Scotch, for instance, went for four dollars at sea, was sold by Yale and other rumrunners for \$14 and was then turned into a three-quart multiple that went for \$42 or more. In a speak-easy, a shot sold for 75 cents, while in pre-Prohibition days, a shot of uncut Scotch had sold for 15 cents. Millions of gallons of liquor had been stored away for a year in anticipation of Prohibition, and they were now about to come out of hiding. In the backwoods and in the back alleys of the ghettos, there were thousands of home-grown stills. Many hard-drinking Italians, Poles and Irishmen had long made their own wine, beer and



The Unione Siciliana was one of Chicago's main sources of raw alcohol. Members were issued well-made copper stills and the necessary ingredients, then instructed in the not-too-fine art of cooking off a few gallons of ethanol a week. It was a good way to earn extra money at home in one's spare time.

liquor. Given the right price, they would be willing to increase output and turn it over for resale. And near beer was still legal, though it was first necessary to make the real stuff, then dealcoholize it.

So the liquor was there, waiting. And it was apparent to many as early as January 17, 1920, that there were plenty of customers for it, that the Noble Experiment, as Herbert Hoover would later call it, hadn't a chance of working. (Drinking in the years ahead would become a pastime even in the White House, where President Warren G. Harding, taking office a year after Prohibition, kept a second-floor bar and maintained his own personal bootlegger, Elias Mortimer.) The law went into effect at midnight on the 16th. The first illegal drink, someone at the time noted, was sold about a minute later. And the first recorded violations of the law took place, as it happened, in Chicago before an hour had passed. Six masked gunmen drove a truck into a Chicago railroad switchyard, tied and gagged the watchman, locked six engineers in a shed and then broke open two freight cars and drove away with \$100,000 worth of whiskey marked FOR MEDICINAL USE ONLY. Almost simultaneously, another Chicago gang hijacked a truck loaded with medicinal whiskey and began a trend that would last through the dry years. A third group broke into a bonded warehouse and made off with four barrels of whiskey. It was just the beginning.

But Torrio realized something more than just that beer and liquor were available and that there were plenty of customers. He saw that at last the underworld could win a measure of respectability; it could move in on something that people wanted avidly and become the sole supplier. He also realized that the law would be enforced laxly. Initially, he had not been so sure, concerned that a Federal law would be enforced strenuously

A DIRECTORY OF NOTED CHICAGO BUSINESSMEN



Capone locked corporate ambition and was kicked upstairs.



Torrio sensibly moved to New York for the sake of his health.



Capone, nailed on taxes, found the pen mightier than the sword.



O'Banion regretted his remark "To hell with them Sicilians."



Moran arrived late at his own Saint Valentine's Day party.



Weiss's North Side leadership was terminated by Tommy guns.



Dismayed by the infidelity of some of his most trusted gunmen, Al Capone invited them to a gala banquet at which he admonished them with a baseball bat.



by Federal agents. But political soundings soon persuaded him that he had nothing to fear. All those charged with enforcement would be political appointees and would be earning only about \$1500 a year. And, in Chicago and its surroundings, there would be only 134 of them. If political hacks—underpaid and thinly spread ones, at that—were going to man the bureau, the feasibility of bribery was great.

The only obstacle to Torrio's major move into bootlegging was his mentor, Big Jim Colosimo. Bootlegging interested him hardly at all. More and more in the years before Prohibition, Colosimo had been turning the management of his empire over to Torrio while he devoted himself to other, more gracious pursuits. His café, Colosimo's, had become a favorite watering spot for Chicagoans; he had cultivated visiting celebrities, who would join him at his table; he had developed a passion for opera and was often seen with Caruso, Titta Ruffo, Lina Cavalieri and others when they were in town; he was adding to his already noted collection of diamonds and other gems, which gave him the sometime nickname "Diamond Jim." But more than anything, there was his new love, Dale Winter, a onetime choir singer whose singing and acting lessons, even concerts, he paid for, and on whom he poured treasure. In 1920, Colosimo had become so taken with Miss Winter that he divorced his wife—Torrio's cousin, Victoria Moresco—and married the singer. "It's your funeral, Jim," Torrio said when Colosimo told him the news.

It was, Colosimo would permit Torrio to handle only enough booze to stock their whorehouses and speak-easies—to satisfy the desires of the customers. Colosimo was afraid of the Feds and nothing Torrio said could persuade him that they could be bought. Blocked, Torrio made his phone call to his friend Frankie Yale in Brooklyn.

Late in the afternoon of May 11, 1920, in response to a request from Torrio, Colosimo left his bride of less than one month for a trip down to his café. There, he was to await and pay for a shipment of whiskey for the business. Yale was waiting for him and killed him with a bullet in the back of the head. (An eyewitness described Yale to the police, but must have had second thoughts on his way to New York. When confronted with Yale, he refused to identify him and was put on a train back to Chicago.)

When they broke the news to Torrio, he cried, something no one could ever remember him doing. "Big Jim and me were like brothers," he mourned. Then he arranged a fitting final tribute for three days later. It was the prototype of the Chicago gangland funeral, and all those that followed would be measured against it. Colosimo was laid to rest in a \$7500 silver-and-mahogany casket; scores

of cars filled with flowers followed the hearse; so, too, did 5000 mourners, including, as honorary or active pallbearers: two Congressmen, three judges, one soon-to-be Federal judge, ten aldermen, a state representative and an army of other politicians and community leaders. Chicago mayor William Hale "Big Bill" Thompson was otherwise occupied, but he sent along personal representatives and his heartfelt condolences, for Colosimo had been a rock in the Republican Party and had brought out huge pluralities for Thompson and his G.O.P. cohorts. Torrio, one of the most demonstrably emotional of the mourners, was taken aside for personal words with most of the famous, and on the way back from the cemetery he rode in a private limousine. Pallbearer "Bathhouse" John Coughlin, a First Ward alderman, marked Colosimo's passing thusly: "Jim wasn't a bad fellow. You know what he did? He fixed up an old farmhouse for broken-down prostitutes. They rested up and got back in shape and he never charged them a cent." The only sour note in the occasion was struck by Archbishop (later Cardinal) George Mundelein. Colosimo, he ruled, could not be buried in consecrated ground—because he had divorced and remarried. In lieu of clergy, "Bathhouse" John Coughlin led the prayers.

Jim Colosimo was laid to rest. Somehow or other, his fortune evaporated between the day of his murder and the time, a week later, when a search of his estate was made. In addition to the millions he was rumored to have socked away, he had supposedly left home on that fatal day with \$150,000 in cash in his pockets. But the search turned up only \$67,500 in cash, \$8894 in jewels and 15 barrels of whiskey. Nobody ever came up with a satisfactory explanation for what happened to the rest. Dale Winter, after a period of mourning, returned to New York City to pursue a stage career. She took over the lead in the hit musical *Irene* on Broadway, toured with it for some years and then, in 1924, remarried and later faded into obscurity.

So Torrio was the boss of the Colosimo empire. But his eyes were on all of Chicago. To control it, three steps had to be taken: The aid and connivance of the politicians and the police had to be assured; the source of supply of, at first, beer (for Torrio was convinced that Chicago, a workingman's town, had an insatiable thirst for beer and a lesser one for the hard stuff) and then liquor had to be gained; and unity had to be brought to the multiplicity of gangs at loose throughout the city.

Winning the police and the politicians was simple. Their cooperation had been bought in the past for prostitution, gambling and other rackets and there was no reason to suspect that more of the same could not be purchased. But now a de-

velopment loomed that would have a profound effect on the future of the nation (for, almost simultaneously, parallels were occurring in New York under Arnold Rothstein and elsewhere). Until Prohibition, the gangster was generally circumscribed by the unsavoriness of his calling and limited to his own neighborhood. He was the servant of the politician, to whom he paid protection money and for whom he performed services in a variety of causes. But Prohibition cast an aura of semi-legitimacy over the organized underworld, which provided a product the public desired and could get nowhere else. So the gangster moved out into the world. He was now involved in a business that had become one of the nation's largest, grossing billions of dollars annually—a Government study would later claim that the public was putting \$10,000,000 a day into the bootleggers' pockets. With all that money at his command, his power and influence increased geometrically. Though still dependent on the politicians and the police for protection, that dependency took a new turn. Now the gangster, with his wealth and status, was becoming the master, and the politician and the policeman his servants. "Sixty percent of my policemen are in the bootleg business," Chicago police chief Charles C. Fitzmorris would say later, and some would think his estimate low.

The politicians were even more dependent. Torrio and others realized that it was their money and their muscle that kept a man in office, so they acted accordingly, forcing the political bosses to come to them abjectly seeking favors. The gangster's control over the city halls and over the very life of the cities reached so far that by 1928, such an upright and impeccable public figure as Frank Loesch, president of the Chicago Crime Commission and sworn enemy of the underworld, felt it necessary to beg for an audience with Al Capone to seek his assistance to ensure an honest civic election—and Capone, with the munificence of a monarch, gave it. But toward the political hirelings, the gangster felt only contempt, paralleling, perhaps, the contempt the politician had always shown him. "There's one thing worse than a crook," Capone would say later, "and that's a crooked man in a big political job. A man who pretends he's enforcing the law and is really making dough out of somebody breaking it; a self-respecting hoodlum hasn't any use for that kind of fellow—he buys them like he'd buy any article necessary to his trade, but he hates them in his heart."

So it was no hard task to control those who governed and policed the city. And, of course, over it all in Chicago there was the figure of Mayor Thompson, whose fervent and oft-proclaimed devotion to country, city and motherhood was perhaps overshadowed only by his devotion to money. In four years under his rule, a

\$3,600,000 Chicago surplus was turned into a \$1,500,000 deficit. As long as he was in city hall, Thompson proclaimed, Chicago would be wide open, for this was not only the way to prosperity, it was the way Chicagoans wanted it. That suited Torrio just fine.

It was just as simple to corner the supply of beer. With the advent of Prohibition, owners of breweries had few choices: They could close up or sell out and take their losses; they could go into the brewing of near beer, an expensive process; or they could enter into secret partnerships with the underworld, permitting them to continue to manufacture and sell real beer, illegally, and reap undreamed-of profits. For many, it was no choice at all. Within weeks of the Colosimo murder, Torrio had become a partner in nine breweries and several whiskey distilleries with the pre-Prohibition brewer, Joseph Stenson, heir to one of the richest and most respected Chicago families. Those interests would expand greatly and the profits would pour in: The beer cost five dollars a barrel to make and was sold for \$15 a barrel, sometimes \$30 or more—and to special customers, at the reduced price of \$35. Torrio also made other connections for liquor: with Yale and the rum-row importers in the East, and with the "Purple Gang" in Detroit, which had a regular ferry run from the distilleries that were springing up across the Detroit border in Canada.

Then Torrio turned to the gang wars that were erupting all over the city. Every section of Chicago was ruled by one gang or another. There was the O'Banion gang on the North Side. Their activities included illegal liquor, safecracking, robberies, hijackings and protecting the political interests of the highest bidder, sometimes Democrats but more often Republicans. The gang was under the rule of a young, smiling, reckless Irishman named Dion "Deany" O'Banion, never without his guns, reputed killer of at least 25, unwilling to shake hands for fear of leaving himself vulnerable, proprietor of a profitable legitimate front, a flower shop that did a thriving business whenever a gangster went to his reward. O'Banion's chief aide was Earl Wajciechowski, better known as Hymie Weiss, to whom society and the underworld will always be in debt for inventing the "ride." In 1921, Weiss personally invited a fellow Pole, one Steve Wisniewski, who had incautiously hijacked an O'Banion beer truck, to drive with him into the country. "We took Stevie for a ride," Weiss would tell friends, "a one-way ride."

The West Side of Chicago was run by the O'Donnell brothers—Myles, Bernard and William "Klondike"—all Irish and with an abiding hatred of Italians. On the South Side, in "Little Italy," reigned the "Terrible Gennas," six brothers named Sam, Vincenzo, Pete, "Bloody Angelo," "Tony the Gentleman" and "Little

Mike," sometimes called "Il Diavolo." Good family men, ardent church- and opera-goers, suspected members of the Mafia all, these Sicilian-born brothers controlled every racket in the ghetto—from extortion to cheese, olive oil and other delicacies, to gambling, politics and booze. During Prohibition, they specialized in turning out homemade rotgut, guaranteed to kill, blind or at least sicken the drinker; but they had no trouble peddling the stuff and the demand was so constant and grew so fast that they put hundreds to work making it in kitchens, bathtubs, anywhere. It cost the Gennas between 50 and 75 cents a gallon to turn out and they sold it to speak-easies for six dollars a gallon. The speaks, in turn, diluted it, sold it by the drink and realized about \$10 a gallon.

Between the Gennas and suburban Cicero was the Valley Gang, led by Terry Druggan and Frankie Lake. On the Southwest Side was the Saltis-McErlane gang, coheaded by massive, brutal and moronic Joe Saltis and the alcoholic killer Frank McErlane, who would introduce the Thompson submachine gun to the underworld. The Ragen Colts—racist, jingoistic, bootleggers—ran the South Side around the Stockyards. And on the Far South Side, the rulers were another O'Donnell gang, unrelated to Klondike O'Donnell, led by brothers Steve, Walter, Tommy and Ed—called Spike, and the real boss. In 1920, Spike was away in Joliet Penitentiary, having been caught walking out of a bank with \$12,000. His brothers, disorganized, spent their time doing errands for Torrio at his Four Deuces saloon and brothel, waiting for brother Spike to return.

The bitterness among all the gangs was intense, and blood flowed regularly. It was Torrio's conviction that unless the internecine warfare could be halted, all his plans and hopes would come to little. So he made a proposal to all the Chicago gang leaders: There would be peace, and with it cooperation and prosperity. His proposal was the essence of simplicity and good sense: In unity, there lay strength and success; in division and hostility, only weakness and failure. The main chance, he insisted, lay in making Prohibition work for all, for it would make them all millionaires. As much as possible, he argued, the old traditional activities—robberies, safecrackings, muggings and other violent crimes—should be shunned, abandoned. This was asking a lot, he realized, and total abstinence was impossible, given the nature of the personnel; but nevertheless, this was the goal they should all strive for. They should devote themselves and their energies to those things that, while they aroused society's displeasure, aroused it only mildly—things like gambling, prostitution and, particularly, booze.

But if they were to succeed and become rich, Torrio said, then they must be willing to put an end to the old enmities.

He proposed that every gang have absolute control over its own territory, over the whorehouses, gambling and speak-easies, and have the right to dictate from whom the liquor and beer sold there be bought. If a gang wanted to operate its own breweries and distilleries, fine; if not, Torrio, with his vast supplies, was prepared to sell them all the beer they needed; his price, and it was increased now, following the law of supply and demand, would be \$30 a barrel; he would also supply all the liquor anyone needed at competitive prices.

If an outsider tried to muscle in anywhere, all the gangs in Chicago would cooperate in meting out appropriate chastisement. And to ensure that the plan worked, Torrio proposed an all-Chicago underworld council—the forerunner of the national Syndicate that would be created a decade and more later—with all the gangs represented and having equal voice, and with himself as chairman, ready to supervise all arrangements made among different gangs and to arbitrate all disputes.

Even to rival gang leaders who barely tolerated one another, Torrio's plan was so appealing that nobody resisted.

And so peace and good times, with Torrio as the boss, came to the Chicago underworld. They lasted for nearly three years and, as Torrio had prophesied, the riches poured in. So powerful did Torrio become that his influence reached Springfield and the governor's office. When Jake Guzik's brother, Harry, and Harry's wife, Alma, still plying their whorehouse trade in addition to the new Torrio rackets, enslaved a young farm girl, turning her into a prostitute, they were both convicted of compulsory white slavery and sentenced to the penitentiary. But before they served a day, Torrio reached to Governor Len Small, a Thompson puppet. He owed Torrio and his friends big favors: he had been indicted soon after becoming governor for embezzling \$600,000 while state treasurer; bribery and intimidation had persuaded the jury to acquit him. Now Small repaid the favor. He pardoned the Guzik—and in the next three years, he would grant pardon or parole to almost 1000 convicted felons.

The first challenge to Torrio's peace, prosperity and cooperation came in the summer of 1923, when Spike O'Donnell returned from Joliet. Determined that he and his brothers would cash in on Prohibition like everyone else, he began hijacking Torrio's beer trucks and tried to muscle in on the Saltis-McErlane territory. The gangs followed the Torrio dictum of cooperation. Striking back, they killed at least eight of the O'Donnell troops and Spike himself barely escaped a couple of times. In a few months, he had had enough. "I've been shot at and missed so often I've a notion to hire out as a professional target," he sighed and departed Chicago.

The O'Donnells, despite the blood and the expense, had been only an annoyance. Another problem was not so easy. Thompson's term was over and Chicago was about to get a new mayor, a reform Democrat this time, named William E. Dever. He was going to see to it that the laws were obeyed and he told his new police chief, Morgan A. Collins, "I will break every police official in whose district I hear of a drop of liquor being sold."

At first, Torrio refused to believe it; he'd heard the same thing too often to be taken in. But he wanted to make sure, so he offered Collins a \$100,000-a-month payoff to forget Dever's orders. Collins, instead, raided and padlocked the Four Deuces. Torrio upped the offer to \$1000 a day just to overlook the movement of 250 barrels of beer a day; Collins answered by raiding breweries, speak-easies, brothels and gambling dens around the city and locking up over 100 gangsters (in the process, old Mont Tennes, ruler of the race wire and the city's handbooks, decided it was time to retire and turn the business over to younger hands).

This hurt, but not all that much, for new speakeasies, new brothels, new gambling houses, new breweries and distilleries sprang up as fast as the old ones were closed. But none of this made Torrio happy, for it was expensive. So he decided to look for a haven, a place from which his empire could be run with impunity, with no worry about official harassment. His eyes turned to the suburban town of Cicero, just west of the Chicago city limits. It would be the first—but not the last—American community to fall completely under the control and be at the total mercy of the underworld.

A lower-middle-class suburb of 60,000, mainly first- and second-generation Bohemians who worked in the factories of southwest Chicago, Cicero was, within its own terms, a relatively free and easy town. Its president, as the mayor was called, was an amiable lightweight named Joseph Z. Klenha; he did nothing without first checking with the Klondike O'Donnell gang, political boss Eddie Vogel and onetime prize fighter turned saloonkeeper, Eddie Tandel, who ran Cicero. The people liked to gamble on occasion, so slot machines, but only slot machines, abounded, the operators sharing the take with Vogel. The people liked to have a beer or two after the day's hard work and, Prohibition or not, they were not to be denied that pleasure. So there were plenty of illegal saloons operating out in the open. As for other vices, there were none.

In October of 1923, Torrio changed all that. Leaving a house on Roosevelt Road, he turned it into a brothel and installed a score of his girls. Cicero citizens were irate and the police quickly raided the house, closed it down and locked up the girls. Torrio said nothing, only opened a second house, with the same result.

Again, Torrio did not complain and Cicero officials were certain they had turned back the invasion. It was a mistake they would regret, for they had done just what Torrio wanted. He called his friend and hireling, Cook County sheriff Peter M. Hoffman, and two days later, a squad of deputies moved in and impounded every slot machine in Cicero.

There was no misreading the message, and emissaries went to Torrio to treat for peace. If he would get the sheriff to return the slots, they would open up Cicero to him. Torrio agreed not to bring in his whores; all he wanted was the franchise to sell all the beer in Cicero except for those small areas ceded to Klondike O'Donnell, to run all the gambling—and he would bring in a plethora of games in addition to the one-armed bandits—and the right to set up his headquarters in the town.

The conquest and capitulation of Cicero had been quick and easy, with no violence or bloodshed, just as Torrio wanted it. He decided that now he could afford to take a vacation. With his mother, his wife, Anna, and more than \$1,000,000 in cash and securities to deposit in foreign accounts against future need, he sailed for Italy, returned to his birthplace, where he was greeted as a conquering hero, someone the youth of the town should emulate, for he had left poor, returned rich and was even building his mother a luxurious villa for her last years.

Behind, he left his expanding empire and a man to oversee it, a man sometimes known as Al Brown but becoming even more notorious under his real name, Alphonse Capone. Born in Brooklyn in 1899, six years after his family's arrival from the slums of Naples, and one of nine children, Capone made his mark on the streets early, with fists, club and gun. He had worked as a bouncer for Yale at the Harvard Inn and there one night had earned the nickname Scarface Al: A punk named Frank Galluccio took offense at some slighting remarks Capone made about his sister, whipped out a pocketknife and slashed Capone across the face; in an uncharacteristic gesture, Capone not only forgave Galluccio but some years later took him on as a \$100-a-week bodyguard. Late in 1919, seeking refuge from a possible murder indictment, Capone had fled to Chicago and gone to work for Torrio as a bouncer in the Four Deuces. But Capone was ambitious. He was soon chief aide to Torrio.

Capone was the antithesis of the soft-spoken Torrio. Though his business was vice and crime, Torrio did not smoke, drink, gamble or womanize—he would remain a faithful and adoring husband until his death; he rarely swore and would not tolerate the use of obscenities in his presence; he spent his nights quietly at home with Anna, except on those rare occasions when he took her to a play or a concert. And he constantly preached

against the evils of indiscriminate violence. There were, he said, times when force was inescapable, but such times were rare and when they did arise, only the minimal amount of force should be used (though sometimes the minimal amount meant a killing). Violence, Torrio constantly preached, only led to more violence and trouble for everyone; persuasion, bribes, deals and compromise when necessary meant peace and prosperity for all.

Capone, on the other hand, was a gross man with gargantuan appetites for food, liquor, gambling and women. His bets on horses, dice, roulette and other games of chance were rarely less than \$1000 and sometimes as much as \$100,000. And he was unlucky—he would later estimate that he had dropped more than \$10,000,000 on the horses alone during his years in Chicago. (One of his bouts with a whore in his charge left him with syphilis, which went untreated, for Capone had a deathly fear of doctors and needles. He eventually died from paresis.) Capone believed in the maximum use of force and violence to gain his ends.

At first, in his initial experience as boss, Capone tried to follow the Torrio maxims. With Mayor Dever continuing to put the pressure on in Chicago, Capone moved the organization's headquarters to the Hawthorne Inn in Cicero, armor-plating it and keeping it constantly guarded. He repelled some attempted incursions by other gangs—with guns, of course, but not with undue force—and he added to the growing strength of the operation, bringing in his brothers Ralph and Frank, his cousins Charley and Rocco Fischetti, Frank "The Enforcer" Nitti and others.

And then events were set in motion that would mark the Chicago scene from that day on, would turn the city and its environs into a bloody battlefield claiming, before the Twenties were over, 1000 lives and causing even Charlie "Lucky" Luciano to exclaim after a visit, "A real goddamn crazy place. Nobody's safe in the streets."

Torrio returned from Italy in the spring of 1924, just as Cicero was about to hold a municipal election. Fearing that the citizens, resentful of the gangster invasion and influenced by the Dever reform movement in Chicago, might throw out the incumbents in favor of Democratic reformers, Vogel and Klenha went to Torrio with a new proposition. If he would ensure a victory for the Klenha slate, the town would be turned over to him. Any operation he wanted, except prostitution, would be granted absolute immunity from any interference, from the law or anyone else. What Torrio understood, and apparently the town fathers did not, was that violence would be necessary to fulfill Torrio's side of the bargain. So he turned that little job over to Capone.

And Capone accomplished it with a

vengeance. Democratic candidates were beaten and threatened; Democratic voters were intimidated at the polls by gangsters holding drawn revolvers; ballots were seized and checked before the voter was permitted to drop them into the box. During Election Day's early hours, at least four persons were killed. The reformers sent out a plea for help and squads of Chicago cops poured in. All day, they engaged in running battles with Capone mobsters. At dusk, a squad car pulled up before a polling place at 22nd Street and Cicero Avenue. Standing outside with drawn guns were Al and Frank Capone and Charley Fischetti. A hail of bullets poured from both sides. Frank Capone fell to the pavement, dead. Fischetti was captured—and quickly released. Capone fled down the street, ran into another squad of Chicago cops, held them off with revolvers in both hands until darkness came and he could escape. No charges were ever filed against him. But Al could take comfort in knowing that brother Frank had not died in vain. The Klenha ticket won with an overwhelming majority and Cicero, for a time, was the capital of the underworld. So completely was it dominated that later, in daylight and with a crowd watching, Capone would kick Klenha down the city-hall steps because the town president had displeased him.

Only one lonely voice continued to speak in opposition in Cicero, that of Eddie Tanel, whose hatred of the invaders was boundless, who had refused to go along with the compact, who refused to buy his beer from Torrio or his allies, who ignored their orders to get out of town. But he did not speak for long. Myles O'Donnell walked into his saloon and shot him dead. Myles was prosecuted for the murder—without success.

The guns and the blood in Cicero were only a prelude. The underworld peace that Torrio had labored for and achieved came to an end. The O'Banions and the Gennas were snarling and shooting. The Gennas had been flooding O'Banion's North Side territory with the cheap rotgut and underselling O'Banion. Even Torrio's remonstrances were unavailing. And then Angelo Genna lost \$30,000 at a roulette table in the Ship, a casino owned by Torrio and into which O'Banion had been cut for a small interest. Genna welshed on the debt. O'Banion demanded payment. Torrio told him to forget it. Instead, the volatile O'Banion called Genna and demanded that he pay up in a week. When Hymie Weiss and others told O'Banion to cool off, that he was only asking for trouble, O'Banion replied, "To hell with them Sicilians."

So the O'Banion mob and the Gennas were on the verge of war. What was worse for the Irishman was that he had incurred Torrio's displeasure as well. The two had been partners in the Sieben Brewery for some time, and in May of 1924, O'Banion sent word to Torrio that he was going to

quit the rackets and retire to a ranch in Colorado. He was, he explained, simply afraid that he had pushed the Terrible Gennas too far and they'd get him if he didn't get out. Would Torrio be willing to buy O'Banion's interest in Sieben for \$250,000? Torrio agreed and paid the money. To show how appreciative he was, O'Banion said, he'd help Torrio make one final shipment from the brewery.

That shipment was to be made on May 19. Torrio, O'Banion, Weiss and several others (Capone was in hiding; he had killed a man a few days earlier and was waiting until the witnesses were persuaded to change their stories) were at Sieben watching 13 trucks being loaded under the supervision of two local-precinct cops. Suddenly, the place was a hive of other cops, under the personal leadership of Chief Collins. The chief personally ripped the badges off the precinct cops and then hauled Torrio, O'Banion, Weiss and the others not before a city judge who would quickly spring them but before a Federal commissioner. For O'Banion, this was a first arrest for bootlegging and, according to prevailing practice, he would get off with a fine. But Torrio had been picked up for bootlegging some time before and had paid a fine then. As a second offender, he could expect a jail term. Then, from a friendly cop, Torrio learned that O'Banion had tipped off Collins' office, setting up the raid and thereby not only reserving a jail cell for Torrio but clipping him for \$250,000 plus what had been seized at Sieben. And the word got back to Torrio that O'Banion was telling friends, "I guess I rubbed that pimp's nose in the mud all right."

It was just too much. O'Banion had to be chastised and there was only one fitting chastisement for such a double cross. Torrio made common cause with the Gennas. All that held them back was the cautious voice of respected Mike Merlo, who headed the Chicago branch of the Unione Siciliana; he, even more than Torrio, deplored violence and its effect on his underworld friends. But Merlo was dying of cancer and his death would free Torrio and the Gennas. It would also provide the excuse for Torrio to once again call upon Frankie Yale, the Unione's national president.

Merlo died on November 8, 1924 (Angelo Genna was named to succeed him). The funeral was set for the tenth. Yale arrived in town for the ceremonies. And the orders for floral tributes poured into the O'Banion shop. Torrio bought a \$10,000 mixed bouquet; Capone kicked in \$8000 for red roses; the Unione itself anted up for a huge wax-and-flower sculpture of Merlo to be carried in a limousine behind the hearse. The night before the funeral, Angelo Genna called to order another massive and expensive tribute and told O'Banion he would send around a couple of guys to pick it up.

At noon on November tenth, O'Ban-

ion was in the shop, waiting. In walked John Scalise and Albert Anselmi, two illegal immigrants from Sicily wanted for murder there and now working for the Gennas and Yale. "Hello, boys," O'Banion greeted them. "You want Merlo's flowers?"

"Yes," one of the men replied. Then, inexplicably, O'Banion held out his hand; it was the first time anyone could remember his offering to shake hands; it would be the last. The hand was grasped. O'Banion was pulled forward, off balance. Before he could recover, guns were drawn and he was shot six times.

The farewell to O'Banion was orgiastic. "It was one of the most nauseating things I've ever seen happen in Chicago," said Judge John H. Lyle, one of the city's few courageous and honest judges at the time. The casket, rushed from Philadelphia, was of silver and bronze and cost \$10,000; 26 cars and trucks were needed to carry the floral decorations, including garish ones sent by Torrio, Capone and the Gennas; there were three bands and a police escort; more than 10,000 people marched in the funeral train and 5000 more waited at the cemetery; there were judges, aldermen and assorted other public officials. Hearing of it all, Yale would say to friends, "Boys, if they ever get me, give me a send-off that good." Three years later, they did.

But O'Banion's friend and successor as gang leader, Hymie Weiss, was determined that the fallen leader would be avenged, and he was certain he knew upon whom to wreak that vengeance—Torrio, Capone and the Gennas. Not willing to stand up as a target, Torrio took off for a vacation—unknown to him, he was trailed everywhere by Weiss gunmen, who never got the opportunity to get off a shot. In Chicago, the war was under way. An attempt was made to kill Capone as he drove through the city; it failed and Al promptly ordered an armor-plated, bulletproof car from General Motors. Other members of the gang, however, fell before Weiss's bullets.

By mid-January of 1925, Torrio was back, and he knew exactly where he could find safety. The Federal bootlegging charges, growing from the Sieben raid, were finally before the court. Torrio pleaded guilty and, almost with a grin, heard himself sentenced to nine months in jail and fined \$2500. He was given, as a prominent businessman, five days to clean up his affairs.

On January 24, he went shopping with his wife. At dusk, they returned to their Clyde Avenue apartment. Ann started for the apartment-house door. Johnny hung back to remove some packages from the car. A black Cadillac stopped across the street. Inside were four men holding pistols and shotguns. Two leaped from the car (one was later identified as George "Bugs" Moran, killer and sometime clown prince of the O'Banion mob). They dashed across the street and began

firing at Torrio and his chauffeur. The chauffeur was hit in the leg. Torrio was hit four times—one bullet shattered his jaw, the others struck his right arm, chest and groin. Simultaneously, the two men in the car began firing across the street, lacing the Torrio limousine with bullets and shotgun pellets. One of the killers bent over to put a bullet in Torrio's head. His gun misfired and before he could fire again, a warning blast of the Cadillac's horn sent him hurrying away.

Within minutes, racked with pain, Torrio was in an ambulance on his way to the hospital. In the hospital, guarded by the best troops the shaken Capone could round up, Torrio proved to be not as seriously wounded as first thought, though he would bear scars on his jaw for the rest of his life and would never be without a scarf to hide them. He mended quickly. But when questioned about the assailants, he would say only, "Sure, I know all four men, but I'll never tell their names."

Then Torrio went to jail. He was treated with the respect his wealth and power called for. Special furniture was brought in; the warden's office was his for the asking; he could make all the phone calls he wanted and he could have all the private conferences he desired. During these months, he came to a decision. All that he had built up so carefully was now coming down in violence and death and could easily mean his own death. He summoned Capone. "It's all yours, Al," he said. He was leaving Chicago, leaving everything behind, turning it all over to Capone to do with as he wished. All Torrio wanted was the peace and quiet of a retired businessman.

So Johnny Torrio, the mastermind of the Chicago underworld, left jail and was driven in a three-car motorcade to meet a train, a train that would take him to New York, where he would meet quietly with old friends and talk about the future, then board a boat for a long trip to Italy. But he would be back, and when he returned, his arena would be the whole country, for he would play a major role in forging a nationwide criminal alliance.

Now Capone was the boss. But not, as Torrio had been, of a semipeaceful and cooperative underworld. There was war in Chicago and Capone was ruler of only one army, albeit the biggest and strongest, numbering between 750 and 1000 troops. Arrayed against him were the remnants of the O'Banion gang, led now by Weiss and joined by other Irish, Jewish and Polish gangs who proclaimed their hatred of Italians. Their number and firepower nearly matched Capone's.

But Capone's gang was tightly knit. And he had the drive and ambition that others lacked and the unscrupulous amorality to see him to victory. He was determined to be Chicago's master.

To achieve his goal, Capone knew, he would have to smash his opposition unalterably, not with the Torrio technique of

persuasion, treaties and compromise but in the manner he knew best, with violence. Initially and unwittingly, Weiss was of help; for with Torrio's departure, he turned his guns on the Gennas, sometime allies of Capone but more often a threat. In a series of street-corner shoot-outs, motorcade battles and lonely ambushes during the spring and summer of 1925, Weiss's men gunned down Angelo, Mike and Tony Genna and a small army of their followers. It was the end of the Terrible Gennas. The surviving brothers fled the city, and when they returned a few years later, it was to a life of obscurity as importers of cheese and olive oil. The demise of the Gennas, and the murder in a barber's chair of their protégé Samuzzo "Samoots" Amatuna soon after, put the Unione Siciliana in Capone's pocket, for his *consigliere*, Tony Lombardo, succeeded to the presidency, all of which brought Capone new power and new troops.

He needed them, for the city rocked to the sound of gunfire in a seemingly endless battle between Capone and Weiss. In the summer of 1926, Weiss and one of his top gunmen, Vincent "Schemer" Drucci went to pay a call at the new Standard Oil Building on South Michigan; they were going to make a payoff to political ward boss Morris Eller and assistant state's attorney and gangland funeral director John Sbarbaro. Instead, they met a carload of Capone gunmen. The street in front of the building, filled with people, was suddenly a war zone as bullets flew from both sides. The only casualty: a clerk grazed in the thigh. Later the same day, as Weiss and Drucci drove along Michigan Avenue, their car was strafed by a passing Capone car, but again, there were no casualties.

Weiss struck back. About a month later, he set up an ambush for Capone at a restaurant Al frequented near the Capone-controlled Hawthorne Race Track. A ten-car motorcade sped by. From each car protruded gun barrels. And from those barrels came the spit of bullets into the crowded restaurant. One Capone aide was wounded, and so, too, were three innocent bystanders. One woman's injuries were severe, and generous Capone paid the entire \$10,000 hospital bill. He also paid for repairs to the restaurant and adjoining stores.

It wasn't that, Capone minded the shooting; after all, he did it himself and it was one of the risks of the business. What he minded was all the bad publicity. Maybe the Torrio way was best, after all, he thought. So he sent word to Weiss, asking for peace and cooperation; there was enough for everyone. Not, Weiss replied, until Capone turned over to him O'Banion's killers: Scalise and Anselmi. "I wouldn't do that to a yellow dog," Capone snapped back.

The only thing Weiss would listen to, Capone decided, was gunfire, and gunfire that would end his career. An ambush team rented a room next door to the

O'Banion flower shop, which Weiss still used as headquarters. On October 11, 1926, as Weiss and four companions left a car to enter the shop, two waiting gunmen opened up with tommy guns and shotguns. Hit ten times, Weiss was dead before he fell to the pavement. A Weiss aide was also killed instantly. The two others, though wounded, recovered. Directly in the line of fire was the Holy Name Cathedral. On its cornerstone was written: A.D. 1874 AT THE NAME OF JESUS EVERY KNEE SHOULD BOW IN HEAVEN AND ON EARTH. The fusillade that killed Weiss nearly obliterated the text, chipping off all but: EVERY KNEE SHOULD . . . HEAVEN AND ON EARTH.

So Weiss went to the cemetery, where he would soon be joined by Drucci, the victim of a policeman's bullet. And Capone said, "Hymie was a good kid. He could have gotten out long ago and taken his and been alive today."

And then, for a time, there was a semblance of peace. On October 21, 1926, Weiss's allies, frightened now of Capone's firepower, sued for peace and Capone granted it to them. He generously permitted the other gangs to split the spoils north of Madison Street, while everything south, and all the suburbs, would be his—a territory containing more than 20,000 speak-easies, uncounted numbers of gambling dens, brothels and other rackets. "I told them," he would later say, "we're making a shooting gallery out of a great business and nobody's profiting by it."

Peace came at the right moment. For Big Bill Thompson was coming back. He campaigned on a platform of "What was good enough for George Washington is good enough for Bill Thompson. . . . I want to make the king of England keep his snoot out of Americal America first, last and always!" and asserted that "I'm wetter than the Atlantic Ocean. When I'm elected, we'll not only reopen the places these people have closed but we'll open 10,000 new ones." He was backed by a huge war chest, including a \$260,000 contribution from Capone, who also supplied plenty of bribes, terror and multiple votes. Thompson was swept back into city hall and Chicago was wide open again. Capone would later say that his payoffs to the police in the Thompson era averaged \$30,000,000 a year and that half of the force was on his payroll. "Chicago is unique," said Professor Charles E. Merriam, University of Chicago political scientist and civic reformer. "It is the only completely corrupt city in America."

Thompson was good for business; the campaign investments paid off. But any hope of a lasting peace was bound to be an illusion in Chicago. No sooner had one group been conquered than another rose to take its place. As the O'Banions regrouped, under Bugs Moran, and the Gennas disappeared, Capone was faced with a new challenge, from the nine Aiello brothers and their countless cousins

who had succeeded the Gennas as boss of Little Italy and who, unlike the Neapolitan Capone, were Sicilians and so full-fledged *mafiosi* with lines around the country (Capone was eventually made an honorary member of the honored society but never a full member). The Aiello chafed when Capone's choice, Tony Lombardo, became president of the Chicago branch of the Unione over their choice, elder brother Joseph. They determined that both Lombardo and Capone, and anyone supporting them, had to go. They forged an alliance with Moran and they spread the word that they'd pay \$50,000 to anyone who killed Capone.

All through 1927, there were takers. But most fell victim to the weapons of Capone's chief bodyguard, James Vincenzo De Mora, who went by the name of "Machine Gun" Jack McGurn. The Aiello even tried poison, offering to pay the chef of a favorite Capone restaurant, Diamond Joe Esposito's Bella Napoli Café, \$35,000 if he would put prussic acid in Capone's minestrone. The chef told Capone.

It was just too much, especially when Capone learned that Joe Aiello had brought in some outside gunmen to take care of both him and Lombardo from ambush. The police stumbled across the plot, finding first one stake-out, then another, and finally being led to Aiello. He was jailed. While in his cell waiting for bond to be posted, cars filled with Capone gunmen drove up and surrounded the jail. One of the gunmen was arrested and thrown into the cell adjacent to Aiello's. He whispered in Italian to the *mafioso* that his first step outside would be his last. The terrified Joe Aiello pleaded for police protection and got it, all the way to the railroad station and a train that carried him and several of his brothers to safety in the East. (Joe Aiello would return a few years later and at last succeed to the presidency of the Unione that he had always craved. But he would be no more fortunate in that office than his predecessors: Within a year, he would be caught in a cross fire from two machine-gun nests prepared by Capone.)

By the end of 1927, then, it seemed that Capone, from his luxurious and guarded headquarters, could look out over a city he ruled, having conquered it and achieved more by guns and violence than had Torrio by soft words and treaty. And Capone was famous. Torrio had never been more than a shadowy figure whose power and influence few realized. He had shunned publicity; the garrulous Capone wallowed in it. He loved it that every schoolboy knew his name and face. That wherever he went—in Chicago, Florida, anywhere—he was the center of attention. He gave interviews, trying to explain, but not apologize for, his actions. He had power and he was certain that to Chicago, at least, he was essential. When Thompson got virtuous—deciding

when Calvin Coolidge announced he would not run that he would make a damn fine President and the way to get the Republican nomination was by showing he was honest and was cleaning up Chicago—Capone just took himself off to Miami, Florida, where he bought his Palm Island retreat. "Let the worthy citizens of Chicago get their liquor the best way they can," he announced. "I'm sick of the job." Once Thompson renounced his White House dreams, the heat came off and Capone returned to pick up his life as Chicago's master and benefactor.

And benefactor he was, indeed. From the huge roll of bills he always carried in his pocket, he would peel off ten-dollar tips for newsboys and bootblacks, \$20 for hatcheck girls or chambermaids, \$100 for waiters. There was no end to his generosity. But then, he could afford to be generous. He was earning, the Federal Government would later estimate, more than \$105,000,000 a year by 1928.

Capone had expanded far beyond liquor, gambling and prostitution; he had a lock on just about every racket in the city. By the end of 1928, according to the state's attorney's office, at least 91 Chicago unions and trade associations had fallen under the rule of the racketeers. They controlled everything from retail food and fruit to city-hall clerks to plumbers to bakers to carpetlayers to kosher butchers to movies and beyond. They collected initiation fees and monthly dues; in return, they offered employers protection from unions, unions the right to organize and to all, protection—from themselves. The cost to the public was enormous. When Capone moved in on the cleaning-and-dyeing industry, in order to raise the protection money, the merchants had to raise the price of cleaning a suit by 75 cents; when he moved in on the kosher butchers, the price of corned beef went up 30 cents a pound. By the end of the decade, the Mob's control was costing consumers in Chicago \$136,000,000 a year, or \$45 for every man, woman and child.

It was a good racket, and others besides Capone realized it. Bugs Moran, regrouping the shattered O'Banion-Weiss forces, was back on the attack. Trucks carrying liquor for Capone from the Detroit Purple Gang were repeatedly hijacked. Though dog racing was then illegal (Florida, in 1931, would be the first state to legalize it), dog tracks, dominated by Capone, flourished. Moran went into competition and even tried to burn down a Capone track. He tried to muscle into the Capone-dominated cleaning-and-dyeing industry. He set up ambushes and tried to kill Capone favorites like McGurn. And he never lost a chance to taunt Capone in public. "If you ask me, he's on dope," Moran said. "Me, I don't even need an aspirin." Capone, Moran would say, was "the beast."

By early 1929, Capone had had enough.

He took off to Florida. But he was constantly on the phone with Jake Guzik in Chicago and several of his aides made quick trips down to see him. On February 14, Capone rose early, had his customary swim and then took himself down to the office of Dade County solicitor Robert Taylor, for a chat about what he had been doing in Florida.

While Capone talked away the morning hours, it was Saint Valentine's Day in Chicago. At the S-M-C Cartage Company warehouse at 2122 North Clark Street, members of the O'Banion gang were waiting for a truckload of whiskey from a hijacker in Detroit. They were waiting, too, for the arrival of their leader, Bugs Moran. They were six hoodlums—Johnny May, Frank and Pete Gusenberg, James Clark, alias James Kashellek (he was Moran's brother-in-law), Adam Heyer and Al Weinschank. With them was Reinhardt H. Schwimmer, an optometrist and friend of Moran's who, though not a gangster, enjoyed the company of gangsters. And there was a dog.

A long black Cadillac, a police gong on its running board and a gunrack behind the driver, pulled up outside. Moran, late for his appointment, was just turning the corner; he spotted the car, noticed its accouterments and, certain that a raid or a shakedown was about to take place, turned and hurried away.

According to witnesses, four men, two in police uniforms and two in civilian clothes, emerged from the car and started for the warehouse. A fifth man remained behind the Cadillac's wheel. The four disappeared inside.

One resident of Clark Street thought he heard the sudden clatter of a pneumatic drill going on and off in several short bursts, then the sound of an automobile backfiring twice. Two neighborhood women, drawn by the noise, looked out their windows and saw two men in civilian clothes leave the warehouse, their hands in the air, followed by two policemen with drawn guns. They got into the Cadillac and drove off. The women shrugged. It was just a raid.

And then the dog started to howl, a sad, mournful cry cutting through the silence. The dog would not stop. A neighbor went to investigate and fled, sick, to call the police. As best anyone could reconstruct it, the seven men in the warehouse had been disarmed and lined up against the wall, and then cut down by submachine guns; all had been riddled in the head, chest and stomach. Two, May and Kashellek, had also been blasted in the face at close range by shotguns. There was blood everywhere, on the floor and all over the brick wall against which they had stood. Only one man could have described what happened. Somehow, Frank Gusenberg had survived. He would last a few hours. But all he would say was, "Nobody shot me. I ain't no copper."

No one was ever convicted of the Saint Valentine's Day Massacre. But Moran knew who was behind it. "Only Capone kills like that," he said. To which Capone, brought the news at a gala party at his Palm Island mansion, replied, "The only man who kills like that is Bugs Moran."

Capone could joke, but the jokes had a gallows ring, not just for his victims but for himself. The slaughter on Clark Street had solved little; for Moran, the intended victim, had escaped. And the slaughter, at last, stirred a wave of public revulsion and disgust. And a cry for vengeance from Moran. The Aiello had put a \$50,000 price tag on Capone and, despite their flight in disarray, they had never withdrawn it. Now Moran said he would guarantee payment. And he found recruits willing to do the job. In 1928, Tony Lombardo had been gunned down in a crowd of shoppers on Madison Street, a fate that seemed destined for the Unione's Chicago leaders. (Joe Aiello, it was theorized, was behind that one.) After others who tried to hold down the job met the same fate, the new president became a Sicilian gunman named Giuseppe "Hop Toad" Giunta, and as his vice-presidents he named the O'Banion killers, Anselmi and Scalise. They decided to collect the Aiello-Moran bounty. But Capone, with spies everywhere, was quick to hear of their treachery. On May 7, at the Hawthorne Inn in Cicero, he gave them a banquet and when they had eaten and drunk to satiation, his aides suddenly surrounded them and tied them to their chairs. Then Capone personally picked up a baseball bat and with slow and cool deliberation, beat each one to death.

It might have seemed, then, that despite the constant threats and the steady guerrilla warfare of his enemies, Capone still ruled with impunity. He dealt with his foes mercilessly and had little fear of official retribution—between 1927 and 1930, there were at least 227 gangland killings in Chicago, but only two assassins were ever tried and convicted.

But the times were changing, and so was the public temper. An era was coming to an end. For years, the public had read of the exploits of Capone just as avidly and with just as little moral concern or overt outrage as it had read of the exploits of the other public heroes of these years of wild wealth and moral stupor—Babe Ruth, Charles Lindbergh, Jack Dempsey, Red Grange. But the blood that stained Chicago's streets, the innocents—and there were many—who were caught in the cross fires, the indiscriminate and unconcerned violence, the mounting revelations about official complicity and corruption were beginning to have an effect on the city's and the nation's conscience. And the sudden end to that giddy era on the black Wall Street afternoon in October of 1929 did even

more. Who had time any longer to be amused at tales of Al Capone and his millions when there was no money to pay the rent or put bread on the table, or even to buy a newspaper to read about him?

When Jake Lingle, a *Chicago Tribune* crime reporter, was shot down on June 9, 1930, and it was soon learned that he had been something else in addition to a reporter, that he had been a paid ally and an active member of the Mob with spreading interests in the rackets, even the kind of detached amusement with which the press had viewed Capone and the mobs (as long as they were around, there were plenty of good stories that would sell papers) ended. The press began to look harder and with more concern at the doings of the underworld, to demand action. And the wrath increased, and so did the demands for a wholesale cleanup.

Less than a month later, Jack Zuta, the Moran mob's expert on warehouses, barely escaped assassination as he rode in a police car under official protection, and then was executed by five Capone gunmen. When Zuta's papers were examined, among them were found letters from a host of politicians asking for loans, thanking Zuta for favors and asking for more. Perhaps a few years earlier, in good times, it would all have been dismissed. But with the Depression flattening the land, it was too blatant; the cries increased.

By the last years of the Twenties, even racketeers around the nation were becoming distressed by the Chicago odor; it was giving the whole underworld a bad name. And that odor, and the man responsible for it, was one of the subjects under discussion at a major national underworld conference from May 13 to May 16, 1929, at Atlantic City. There, under the protection of Atlantic City's supreme ruler, the bootlegger-gambler-racketeer-politician Enoch "Nucky" Johnson, gathered the criminal powers of the nation—Frank Costello, Meyer Lansky, Lucky Luciano, Dutch Schultz, Louis "Lepke" Buchalter and others from New York, Max "Boo-Boo" Hoff and cohorts from Philadelphia, representatives from Cleveland, Kansas City, Detroit, Boston, everywhere. And Torrio, back home from Italy, operating now in cooperation with New York rulers, was an omnipresent figure, a respected elder statesman of the underworld. The conference dealt with cooperation and syndication in the bootlegging business, began charting a course for the day they all knew was coming, when Prohibition would end. And there was the problem of Capone and how to stem the mounting public outcry against the violence that had marked Chicago. There was, it was agreed, only one way. Capone would have to go, at least temporarily, and he would have to go with official connivance.

Though Capone at first resisted, he at last agreed and soon realized that the arrangements might actually suit him.

Where better could he be protected from the vengeful Moran and his followers than in jail for a short spell? Arrangements were made with cooperative Philadelphia police. On his way home from Atlantic City, Capone was picked up for carrying a concealed weapon. The only thing that shocked him was what he got. He expected a vacation of a couple of months. Instead, he was given a one-year sentence in Holmesburg County Prison and served ten months in luxury.

But when he left prison in March of 1930, the world had changed. Prosperity was gone and Depression had arrived, and with it a contraction of the income from the rackets. Worse, the Federal Government was now after him. If local officials would not deal with the underworld and if most Federal laws were ineffective, there was, Washington realized, one way of getting the mobsters—for violation of the income-tax laws. Under Elmer L. Irey, head of the Treasury Department's Enforcement Branch, the Government took aim first at Chicago and, initially, at those under Capone. Ralph Capone got hit with a three-year sentence and a \$10,000 fine for income-tax evasion; Jake Guzik got five years and \$17,500; Nitti got 18 months and \$10,000.

Then it was Al Capone's turn. The pressure on Irey to get Capone had come from as high as the White House itself. President Hoover kept pressing Treasury Secretary Andrew Mellon: "Have you got that fellow Capone yet? Remember, I want that man Capone in jail." And Mellon was passing the orders down to Irey and others in the IRS.

But it was no easy task. Capone never maintained a bank account, never signed a check or a receipt, never bought property in his own name. He paid for everything in cash and he kept his horde in a strongbox under his bed. So the tactic was to go after him on the basis of his net worth and net expenditures, to show that he had income, undeclared and on which no taxes had been paid. Stores were scoured to get records of purchases; hotels' and caterers' records were examined to see how much his parties had cost; the brothel operations were studied—even the towels that went to the laundry were counted in order to estimate income.

With the heat growing, Capone's lawyers went to the Government and offered to settle up on back taxes on a reasonable basis. No deal. Then Capone, against the advice of everyone, hired five gunmen to kill the tax agents on his trail. The plot was discovered and a message was sent to Capone to call the gunmen off or they would be shot down on sight. Reluctantly, he did so. Next, he tried bribery, sending a message to Irey that he would hand over \$1,500,000 in cash if the case against him were dropped or rigged in his favor. Again, no deal.

In the spring of 1931, Capone was finally indicted for failing to file tax re-

turns and for evading taxes for the years 1925 to 1929. The Government said it could estimate and prove only a fraction of his real income, but that fraction came to \$1,038,655.81, on which he owed \$219,260.12 in back taxes and \$164,443.09 in penalties.

Capone's trial began on October sixth and lasted for ten days. The jury was out for eight hours and returned with a guilty verdict on five of the 22 counts against him. On October 24, Judge James H. Wilkerson sentenced him to 11 years in prison, fined him \$50,000 and an additional \$50,000 for court costs—the harshest penalties handed out up to that time for tax evasion. "You won't see me for a long time," said Capone as he was led away. He was right. First, he was jailed in Chicago, then, when his appeals had been

turned down, he was transferred to Federal prison in Atlanta and finally to Alcatraz, where he remained until 1939. He was released a shattered man, his brain destroyed by the ravages of syphilis. He spent the remaining seven years of his life in guarded isolation on Palm Island. He would never return to take up his rule in Chicago. "Al," said Jake Guzik not unkindly, "is nutty as a fruitcake."

But though Capone had gone—at first to prison and then to death—his organization remained and flourished. There were successors who adapted to new times, men like Charley Fischetti, his brother Ralph, Jake Guzik, Nitti, Sam "Momo" Giancana and others. For soon after Capone departed, a new world began. Franklin Roosevelt entered the White House and the law that had made Capone and his era was about to die.

The Prohibition era in Chicago, which was to be the model upon which all the Hollywood movies of gangsters were based, had, however, been an exception, and a garish one. There had been other men, particularly in the East and New York, who had seen the gold in illegal booze and seized it. But they had done so without the flair for violence that had marked Capone and eventually brought his end. They had adapted to changing times with greater circumspection and so would last longer. And it would be they who came through the world of the 'Twenties to lead crime into a new world of organization.

This is the second in a series of articles on organized crime in the United States.

File--Serial Charge Out
FD-5 (Rev. 6-17-70)

445-10-83475-1 GPO

File _____ Class _____ Case No. _____ Last Serial _____ Date _____

Class

☐

Pending

☐

Closed

Serial No.

Description of Serial

Date

Charged

2040 transferred to 92-262 Sub B

Employee

RECHARGE

Date

To _____ From _____

Initials of
Clerk

Date

Date Charged

Employee

Location

FD-5 (Rev. 6-17-70)

e48-16-83475-1 GPO

File _____ Date _____

Class.

Case No.

Last Serial

Date _____

☐ Pending☐ Closed**Serial No.**

Description of Serial

Date _____
Charged _____

2044-2046 transferred
to 92-262-Sub B

Employee

RECHARGE

Date _____

To _____ **From** _____

Initials of Clerk

Date _____

Date Charged

Employee

Location

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (92-6054)

DATE: FEB 12 1974

FROM : SAC, CHICAGO (92-1173)

SUBJECT: LA COSA NOSTRA
AR-CONSPIRACY
OO: NEW YORK

Re Chicago report of SA RICHARD P. CAVANAGH dated 10/26/73.

Enclosed for the Bureau are three copies of amended page 20 of the referenced report. The appropriate number of amended pages are being forwarded to offices who received copies of the above report.

Chicago inadvertently listed member number 153 on page 20, GEORGE "BABE" TUFFANELLI, as a "Phoenix resident" when actually TUFFANELLI resides in Las Vegas.

- 3- Bureau (92-6054) (ENCS. 3) (RM)
1- Buffalo (92-337) (ENC.1) (RM)
1- Denver (92-222) (ENC.1) (RM)
1- Indianapolis (92-549) (ENC.1) (RM)
1- Kansas City (92-883) (ENC.1) (RM)
1- Las Vegas (92-625) (ENC.1) (RM)
1- Los Angeles (92-1112) (ENC.1) (RM)
1- Miami (92-853) (ENC.1) (RM)
① Milwaukee (92-262) (ENC.1) (RM)
2- New York (92-2311) (ENC.1) (RM)
1- Phoenix (92-278) (ENC.1) (RM)
1- San Diego (92-299) (ENC.1) (RM)
1- San Francisco (92-593) (ENC.1) (RM)
1- Springfield (92-461) (ENC.1) (RM)
1- St. Louis (92-774) (ENC.1) (RM)
2- Chicago (92-1173)
RPC/djf
(20)

ce -
Make change.
H

92-262-2647

SEARCHED	INDEXED
SERIALIZED	FILED
FEB 14 1974	
FBI - MILWAUKEE	

Murphy



File—Serial Charge Out

FD-5 (Rev. 6-17-70)

e48-16-63475-1 GPO

File _____ Class _____ Case No. _____ Last Serial _____ Date _____

☐ Pending

☐ Closed

Serial No.

Description of Serial

Date Charged

2048	transferred to	
	92-262 Sub-B	

Employee

RECHARGE

Date _____

To _____ From _____

Initials of Clerk

{ _____

Date

{ _____

Date Charged

Employee

Location

File—Serial Charge Out

FD-5 (Rev. 6-17-70)

e45-16-63475-1 GPO

File _____ Class. _____ Case No. _____ Last Serial _____ Date _____

☐ Pending

☐ Closed

Serial No.

Description of Serial

Date Charged

2049 transferred to
92-262 Sub A

Employee

RECHARGE

Date _____

To _____ From _____

Initials of Clerk

{ _____

Date

{ _____

Date Charged

Employee

Location

File—Serial Charge Out

FD-5 (Rev. 6-17-70)

45-16-83475-1 GPO

File _____ Class. _____ Case No. _____ Last Serial _____ Date _____

☐ Pending

☐ Closed

Serial No.

Description of Serial

Date Charged

2051 transferred to
92-262-Sub B

Employee

RECHARGE

Date _____

To _____ From _____

Initials of Clerk

{ _____

Date

{ _____

Date Charged

Employee

Location

File—Serial Charge Out

FD-5 (Rev. 6-17-70)

e48-16-83475-1 GPO

File _____ Class. _____ Case No. _____ Last Serial _____ Date _____

☐ Pending

☐ Closed

Serial No.

Description of Serial

Date Charged

2053-2054 transferred
to 92-262 Sub B

Employee

RECHARGE

Date _____

To _____ From _____

Initials of Clerk

{ _____

Date

{ _____

Date Charged

Employee

Location

File—Serial Charge Out

FD-5 (Rev. 6-17-70)

e15-16-83475-1 GPO

File _____ Class. _____ Case No. _____ Last Serial _____ Date _____

☐ Pending

☐ Closed

Serial No. _____ Description of Serial _____ Date Charged _____

2056 transferred to
92-262 Sub-B

Employee

RECHARGE

Date _____

To _____ From _____

Initials of Clerk { _____

Date { _____

Employee

Date Charged _____

Location

File—Serial Charge Out
FD-5 (Rev. 6-17-70)

448-16-83475-1 GPO

File _____ Class _____ Case No. _____ Last Serial _____ Date _____

Class.

☐

Pending

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Closed

Serial No.

Description of Serial

Date

Charged

2059-2060 transferred
to 92-262-Sub B

Employee

RECHARGE

Date _____

To _____ From _____

Initials of
Clerk

{ _____

Date

{ _____

Date Charged

Employee

Location

SAC, MILWAUKEE (92-1196) (P)

7/12/74

SA EUGENE D. MURPHY

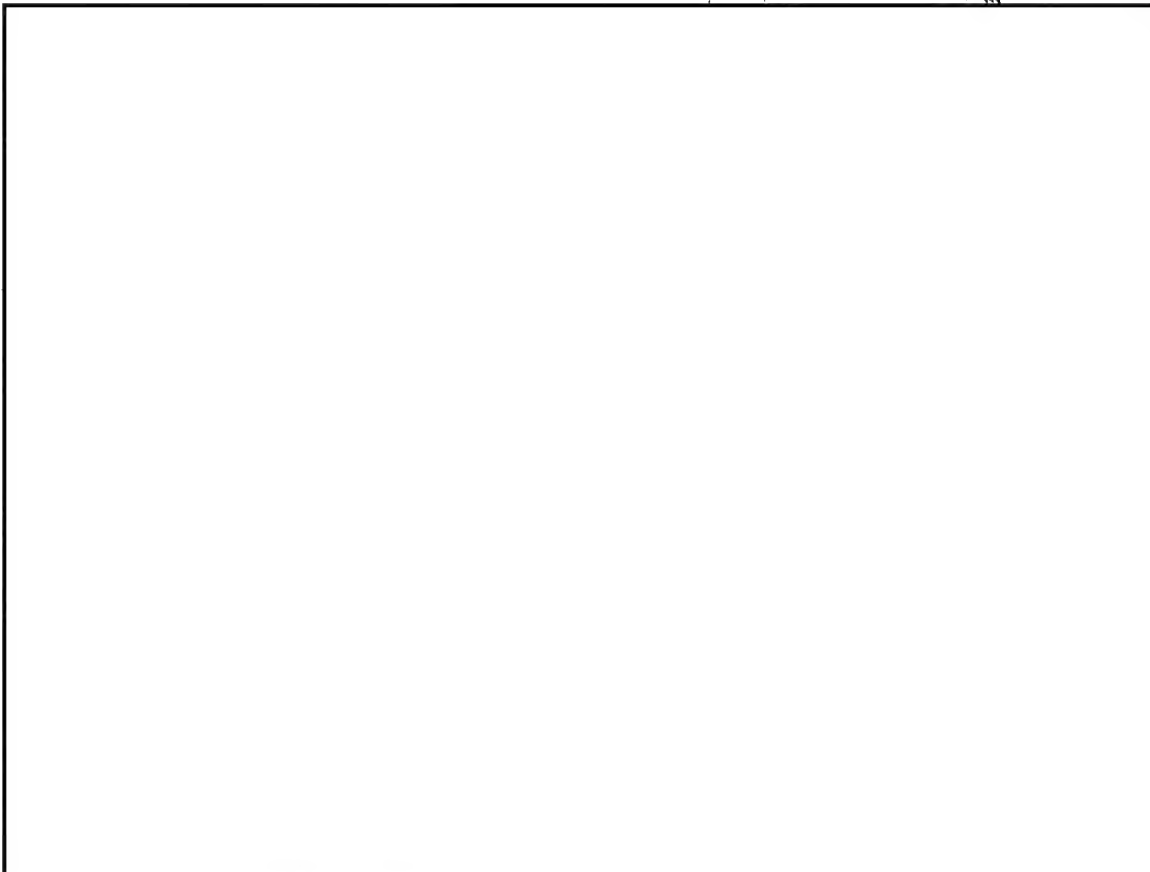
[Redacted]

AR

OO: MILWAUKEE

b6
b7C

Referral/Direct



Any utilization of the above information should be couched in such a manner as to protect this source.

- 2 - 92-1196
- 1 - 92-599
- 1 - 92-873
- 1 - 92-1151
- 1 - 92-1206
- 1 - 92-262
- 1 - 92-1353

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(8)

pea

92-262-2069

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 14 1974	
FBI - MILWAUKEE	

EB

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (92-6054)

FROM : SAC, SAN DIEGO (92-229) (P)

SUBJECT: LA COSA NOSTRA (LCN)
AR - CONSPIRACY
(OO: New York)

DATE: 6/17/74

Re San Diego letter to the Bureau 3/14/74.

BELOW INFORMATION SHOULD BE HANDLED IN A MOST CIRCUMSPECT MANNER AND UNLESS SOURCE IS WELL CONCEALED, REPORTED ONLY ON THE ADMINISTRATIVE PAGES OF THE REPORT IN WHICH IT IS USED. SUCH INFORMATION FROM THIS INFORMANT IS NOT TO BE DISCLOSED TO ANY INDIVIDUAL OUTSIDE THE BUREAU AS IT MIGHT COMPROMISE THE INFORMANT AND PLACE HIM IN JEOPARDY.

- 3 - Bureau (92-6054) (RM)
(1 - [redacted])
- 1 - Boston (Info) (RM)
- 2 - Chicago (RM)
- 1 - Cleveland (Info) (RM)
- 2 - Denver (RM)
- 1 - Detroit (Info) (RM)
- 1 - Kansas City (Info) (RM)
- 2 - Las Vegas (RM)
- 2 - Los Angeles (RM)
- 1 - Miami (Info) (RM)
- 1 - New Orleans (Info) (RM)
- 3 - New York (92-2300) (RM)
(1 - [redacted])
- 2 - Phoenix (RM)
- 1 - Sacramento (Info) (RM)
- 2 - St. Louis (RM)
- 2 - San Francisco (RM)
- 1 - Tampa (Info) (RM)
- ① - Milwaukee (Info) (RM)
- 3 - San Diego (92-229)
(1 - [redacted])

JDA:bk
(32)



b6
b7C
b7D

92-262-2070

SEARCHED	INDEXED
SERIALIZED	FILED
JUN 19 1974	
FBI - MILWAUKEE	
MURPHY	

b6
b7C



SD 92-229

The following information was received from [redacted] regarding LCN members and hoodlum associates:

b7D

I. LOS ANGELES AND SAN DIEGO DIVISIONS

FRED SICA GANG

The informant advised on 3/13/74 that FRED SICA, notorious Los Angeles hoodlum, and [redacted]

[redacted]

Informant advised that [redacted]

[redacted]

[redacted] have been successful in setting up a [redacted],

[redacted]

Informant advised on 3/13/74 that [redacted]

[redacted]

Informant advised that [redacted]

[redacted]

In addition to this, [redacted]

[redacted] because of

FBI pressure on the company.

b6
b7C
b7D

b6
b7C
b7D

b6
b7C
b7D

b6
b7C
b7D

SD 92-229

On 3/21/74, the informant advised that [redacted]

b6
b7C
b7D

[redacted]

Informant advised that the [redacted]
[redacted] is getting a one or two percent kickback from
[redacted] now seems to be the
main contact man with [redacted] in Oakland.

b6
b7C
b7D

On 4/1/74, informant reported that [redacted]

[redacted]

b6
b7C
b7D

Informant advised on 4/29/74 that he [redacted]

[redacted]
[redacted] the well known hoodlum
from the Laguna Beach-Long Beach area. They talked about
using their influence with [redacted]
[redacted] told the group
that he had a contact in the travel agency business and
would bring him in for discussion.

b6
b7C
b7D

On 4/30/74, [redacted]

[redacted]

b6
b7C
b7D

SD 92-229

On 5/6/74, informant advised that [redacted]

[redacted]

b6
b7C
b7D

Informant advised that several meetings have occurred in the past couple months in both San Jose and San Diego between [redacted] and this hoodlum element in an effort to keep their interest in the [redacted] going.

b6
b7C
b7D

Informant does not believe [redacted]

[redacted]

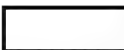
b6
b7C
b7D

SD 92-229

Informant advised that on 5/6/74, he had a




b6
b7C
b7D

 told the informant that the big money in Southern California gambling now is on sports bookmaking but that the Mexicans at Caliente could not handle it.



b6
b7C
b7D

Informant advised on 5/9/74 that he 



b6
b7C
b7D

On 5/17/74, informant reported that 



b6
b7C
b7D

SD 92-229

The informant also advised that [redacted]

[redacted]

b6
b7C
b7D

On 5/10/74, informant advised that [redacted]

[redacted]

Chicago hoodlum) and [redacted] (a burglar on state parole from Oakland, California). Informant advised that

[redacted]

b6
b7C
b7D

Informant advised on 5/20/74 that [redacted] are again associating with [redacted] well known San Diego bookmaker, at the Stardust Hotel in Mission Valley, San Diego. Informant believes that [redacted] will again become involved in bookmaking with [redacted].

b6
b7C

On 5/20/74, [redacted]

[redacted]

b6
b7C
b7D

SD 92-229

Informant advised that the persons running the ALIOTO campaign in San Diego County are [redacted]

[redacted] and they are using a [redacted]

[redacted] as a "leg man." Informant advised that [redacted] was a [redacted] in Las Vegas and was formerly in the Las Vegas Sheriff's Office. Informant advised that [redacted] is now working in the Los Angeles area as a [redacted] for several attorneys and that [redacted] are in the rackets. [redacted] as a cover, works as [redacted] for San Diego [redacted]. This hoodlum element is grooming [redacted] to run for mayor of San Diego. Informant advised that if ALIOTO is elected governor, these hoodlums will have considerable more power.

b6
b7C

Informant advised that [redacted] continues to come to San Diego almost every weekend to pick up his "cut" from the Ward-Tex business.

b6
b7C

On 5/28/74, [redacted] told the informant that he is

[redacted]

b6
b7C
b7D

Informant advised that [redacted] frequently visit their Ward-Tex office at Fullerton, California. It is called the Orange County Construction Company and [redacted], FBI Number [redacted].

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On 6/3/74, [redacted]

[redacted] the Laborers' Union in downtown Chicago and apparently is an old friend of [redacted] and [redacted] was vacationing in San Diego with a girlfriend. Others present at the luncheon meeting were

b6
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SD 92-229

[redacted]; and former Negro light-heavyweight boxing champion ARCHIE MOORE. They were attempting to get MOORE to endorse ALIOTO for governor to pick up black votes; however, MOORE refused.

b6
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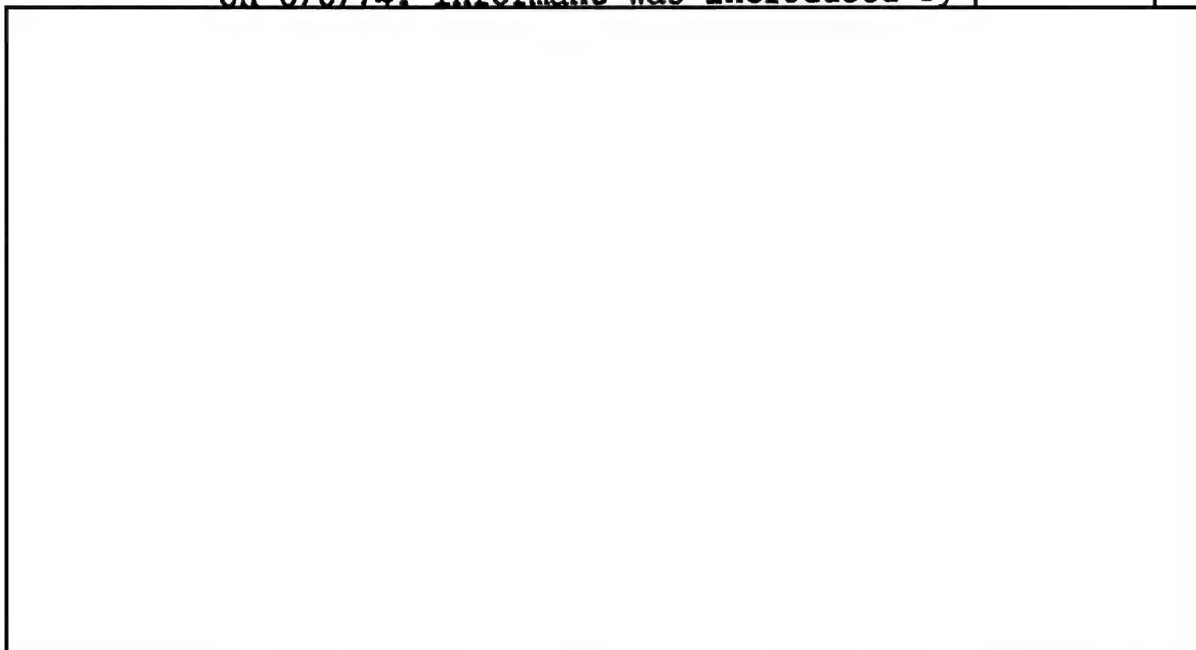
[redacted] mentioned that en route home to Chicago, he intended to stop in Las Vegas and visit his friend, LCN hoodlum [redacted].

[redacted] It is [redacted] in Chicago. (The San Diego Police Intelligence Detail observed the meeting and later interrogated [redacted], who was identified:

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[redacted] born [redacted] pounds, age [redacted] years, [redacted] Illinois Driver's License Number [redacted] business agent for Local 150, International Union of Operating Engineers. He was accompanied by [redacted].)

On 6/6/74, informant was introduced by [redacted]



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Informant, through [redacted], has also been introduced to another Los Angeles area hoodlum now expanding his interests into the San Diego area. He is [redacted] aka [redacted] (true name). [redacted]



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SD 92-229

[REDACTED]

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b7D

On 6/10/74, the informant [REDACTED]
meeting after ALIOTO lost his bid for the nomination. [REDACTED]

[REDACTED]

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II. LOS ANGELES DIVISION

1. LCN

Informant advised on 5/3/74 [REDACTED]
San Diego LCN member [REDACTED]

[REDACTED] of New
Jersey LCN Boss SAM "The Plumber" DE CAVALCANTE. DE CAVALCANTE's
friend told [REDACTED]

b6
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[REDACTED]. The gambling junkets are
running between Los Angeles and Las Vegas. In his conversa-
tion with [REDACTED], the unidentified person identified the
[REDACTED] and [REDACTED].

[REDACTED] to try and identify
the two men to assist DE CAVALCANTE.

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Informant, through [REDACTED], identified them
as [REDACTED] and [REDACTED], aka [REDACTED]
[REDACTED]. The junket operator is [REDACTED]
operator of Las Vegas Tour Associates, Inc. He is in partner-
ship with [REDACTED]
[REDACTED] telephone number [REDACTED]. [REDACTED] and
[REDACTED] have been working with [REDACTED], a leg
man for Los Angeles LCN Capo [REDACTED]. Informant learned

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through [redacted] LCN Underboss. that [redacted]
are working with [redacted] and [redacted]
who are taking orders from LCN Boss NICK LICATA. [redacted]
told the informant that the [redacted]
[redacted]

b6
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[redacted] told the informant that all of the active
LCN leaders in the Los Angeles area [redacted] LICATA. [redacted]
[redacted], and their hoodlum associates like [redacted]
et al, expect to get indicted again by the Federal Government
in the near future.)

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Informant advised that for the past month, [redacted]
has been conducting meetings with several members of the
San Diego LCN Decina. The meetings are held at the [redacted]
[redacted]

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[redacted]
with San Diego Capo JOE ADAMO, former Capo [redacted]
and JOE LI MANDRI. He has discussed the possible need of
raising money to aid Los Angeles LCN hoodlums pay legal
expenses.

2. MEYER HARRIS COHEN, aka
Mickey Cohen

Informant advised that on 3/12/74, [redacted]
[redacted]

b7D

SD 92-229

On 5/13/74. [REDACTED]

[REDACTED]

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b7D

The informant advised that [REDACTED] restaurants in San Francisco were having labor problems with their employees, who threatened to strike. [REDACTED]

[REDACTED]

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[redacted] in the Los Angeles area), [redacted] and JOE SICA. [redacted] in the Westwood area of Los Angeles. Informant advised that COHEN appears to have plenty of money at this time.

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3. Palm Springs Area

Informant advised on 4/5/74 that he was in the Palm Springs area in contact with [redacted]. [redacted] has quit his job at the Tropicana in Las Vegas and has returned to Palm Springs. [redacted] hopes to [redacted] of the Jack London Restaurant in Palm Springs. Informant advised that the [redacted] if possible, will become involved in sports book-making during the coming season.

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While in the area, [redacted]

[redacted]

b6
b7C
b7D

[redacted] Informant advised that [redacted] is a major fence for stolen high-priced goods like valuable coins, stamp collections, etc. and travels all over the world. He was well connected with the LCN CIVELLA family in Kansas City through MAX JABEN before he died.

4. [redacted]

On 3/19/74, the informant advised that he was in contact with [redacted]

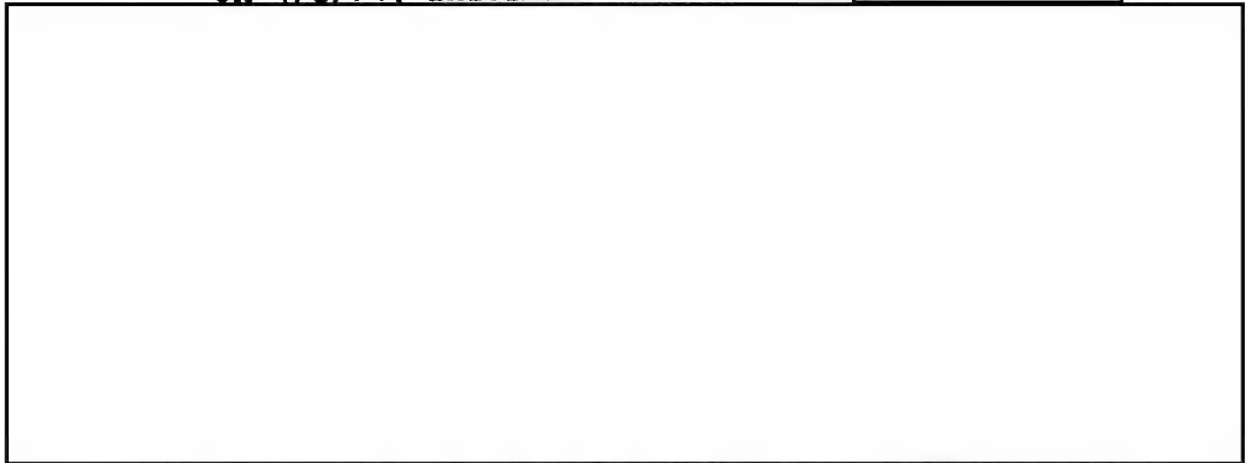
[redacted]

b6
b7C
b7D

SD 92-229

b6
b7C
b7D

On 4/1/74, informant advised that [redacted]



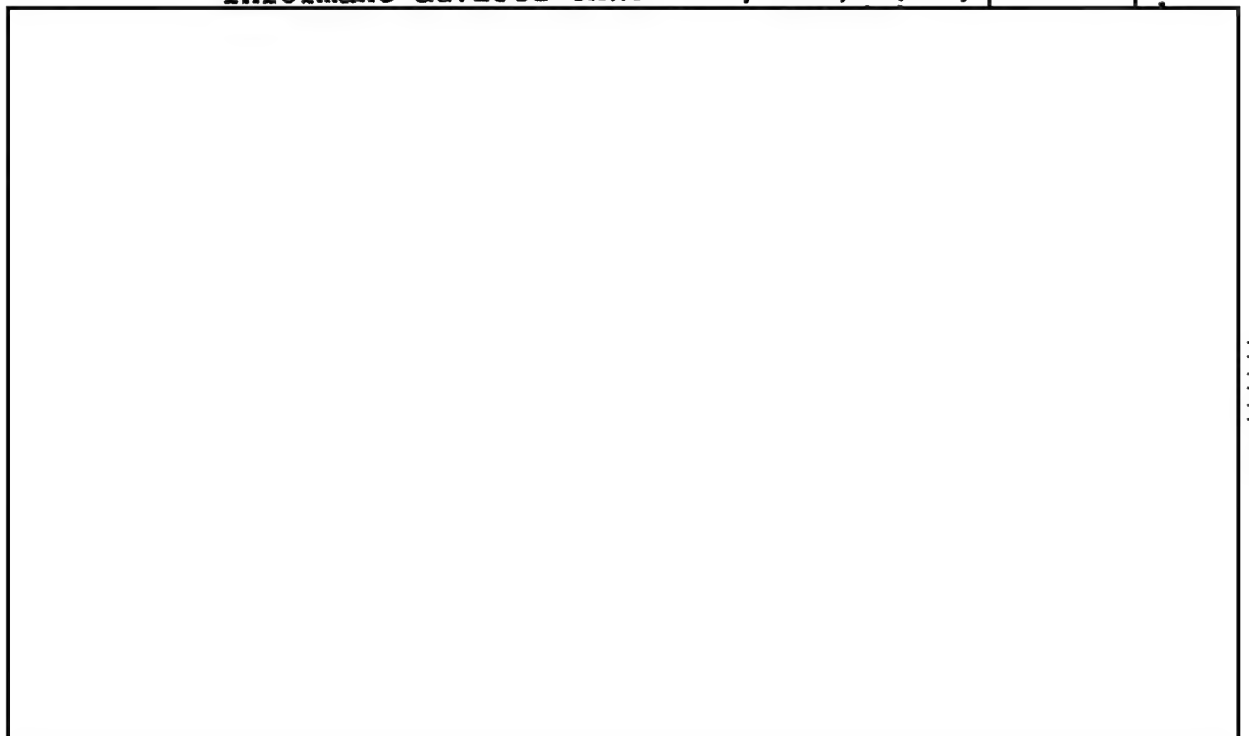
gave this information to the informant as a possibility of setting up a loan shark.

On 6/3/74, the informant advised that [redacted]

[redacted]
[redacted] where he "beat the case" but that his companion had been convicted on some type of narcotics violation.

b6
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b7D

Informant advised that on 6/14-6/15/74, [redacted]



b6
b7C
b7D

SD 92-229

[REDACTED]

b6
b7C
b7D

5.

[REDACTED]

Informant reported that he

[REDACTED]

[REDACTED]

b6
b7C
b7D

On 4/19/74, informant again was contacted by

[REDACTED]

b6
b7C
b7D

The informant was again

[REDACTED]

[REDACTED]

b6
b7C
b7D

SD 92-229

The informant advised that [] apparently is out of the labor union insurance business now as a result of FBI investigation.

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b7C

III. LAS VEGAS DIVISION

Informant advised on 3/18/74 he []

[Redacted]

b7D

The informant had another meeting scheduled with []

[Redacted]

b7D

In a later conversation with []

[Redacted]

b6
b7C
b7D

The informant advised on 5/20/74 that []

[Redacted]

b6
b7C
b7D

SD 92-229

b6
b7C
b7D

ABOVE INFORMATION SHOULD BE HANDLED IN A MOST
CIRCUMSPECT MANNER AND UNLESS SOURCE IS WELL CONCEALED,
REPORTED ONLY ON THE ADMINISTRATIVE PAGES OF THE REPORT
IN WHICH IT IS USED. SUCH INFORMATION FROM THIS INFORMANT
IS NOT TO BE DISCLOSED TO ANY INDIVIDUAL OUTSIDE THE BUREAU
AS IT MIGHT COMPROMISE THE INFORMANT AND PLACE HIM IN JEOPARDY.

FD-5 (Rev. 6-17-70)

44-16-83475-1 GPO

Class.

Case No.

Last Serial

Date: _____

 Pending

☐ Closed

Serial No.

Description of Serial

Date Charged

2073 - 2075 transferred
to 92-262-Sub B

Employee

RECHARGE

Date _____

To _____ From _____

Initials of Clerk

Date _____

Date Charged

Employee

Location

NR001 SI CODE

12:48PM URGENT AUGT 23, 1974 GWM

TO: DIRECTOR CHICAGO
DETROIT INDIANAPOLIS
LOUISVILLE MILWAUKEE
MINNEAPOLIS OMAHA
ST. LOUIS

FROM: SPRINGFIELD (92-116) (IP)

✓
FRANK ZITO, AR.

92-262
92-579

FOR INFORMATION RECEIVING OFFICES, CAPTIONED SUBJECT ONLY
IDENTIFIED MEMBER OF LCN, SPRINGFIELD DIVISION, AND ATTENDED THE
MEETING IN APALACHIN, N.Y. IN 1957. SUBJECT DIED OF NATURAL CAUSES
7:05AM, AUGUST 22, 1974, WAKE WILL BE FROM 4:00PM TO 9:00PM,
AUGUST 23, 1974, WITH FUNERAL AT 9:30AM, AUGUST 24, 1974.

ALL OFFICES REQUESTED TO SURVEY INFORMANTS AND SOURCES IN
EFFORT TO IDENTIFY MEMBERS OF LCN WHO MAY ATTEND FUNERAL.

SPRINGFIELD WILL DISCREETLY COVER WAKE AND FUNERAL.

BUREAU WILL BE KEPT ADVISED OF PERTINENT DETAILS.

END

noted LCN index

FBIMI NJR

92-262-2076

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 23 1974	
FBI - MILWAUKEE	

Murphy

File—Serial Charge Out

FD-5 (Rev. 6-17-70)

48-16-83475-1 GPO

File _____ Class. _____ Case No. _____ Last Serial _____ Date _____

☐ Pending

☐ Closed

Serial No. _____ Description of Serial _____ Date Charged _____

2077 transferred to
92-262 Sub-B

Employee _____

RECHARGE

Date _____

To _____ From _____

Initials of Clerk

{ _____

Date

{ _____

Date Charged _____

Employee _____

Location _____

UNITED STATES GOVERNMENT

Memorandum

TO : SAC, MILWAUKEE (92-262) (P)

DATE: 9/5/74

FROM : SA EUGENE D. MURPHY

SUBJECT: LA. COSA NOSTRA
AR

OO: MILWAUKEE

Enclosed for each of the subjects' files is a copy of income tax returns for the year 1972, both Federal and Wisconsin. Case Agents are requested to review attached income tax returns in an effort to glean any information which may assist in uncovering any possible Federal violations perpetrated by the subjects.

UNDER NO CIRCUMSTANCES SHOULD ANY INFORMATION RELATING TO THESE RETURNS BE DIVULGED OUTSIDE OF THE BUREAU IN VIEW OF THE POSSIBLE EFFECT IT MAY HAVE ON AN EXTREMELY VALUABLE SOURCE.

1 - 92-262
1 - 92-226
1 - 92-165
1 - 92-433
1 - 92-555
1 - 92-437
1 - 92-426
1 - 92-486
1 - 92-438

EDM/pss
(9)

ASJ



5010-110

92-262-2078

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 5 1974	
FBI-MILWAUKEE	

Murphy

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

File—Serial Charge Out
FD-5 (Rev. 6-17-70)

43-16-83475-1 GPO

File _____ Class. _____ Case No. _____ Last Serial _____ Date _____

☐ Pending

☐ Closed

Serial No. _____ Description of Serial _____ Date Charged _____

2079-2080 transferred
to 92-262-Sub B

Employee _____

RECHARGE

Date _____

To _____ From _____

Initials of Clerk

{ _____

Date

{ _____

Date Charged _____

Employee _____

Location _____

File—Serial Charge Out

FD-5 (Rev. 6-17-70)

e48-16-83475-1 GPO

File _____ Class. _____ Case No. _____ Last Serial _____ Date _____

☐ Pending

☐ Closed

Serial No.

Description of Serial

Date Charged

2082-2083 transferred to
92-262-Sub B

Employee

RECHARGE

Date _____

To _____ From _____

Initials of Clerk

Date

Date Charged

Employee

Location

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (92-6054)

FROM : SAC, SAN DIEGO (92-229) (P)

SUBJECT: LA COSA NOSTRA (LCN)
AR - CONSPIRACY
(OO: New York)

DATE: 9/26/74

Re San Diego letter to the Bureau dated 6/17/74.

BELOW INFORMATION SHOULD BE HANDLED IN A MOST CIRCUMSPECT MANNER AND UNLESS SOURCE IS WELL CONCEALED, REPORTED ONLY ON THE ADMINISTRATIVE PAGES OF THE REPORT IN WHICH IT IS USED. SUCH INFORMATION FROM THIS INFORMANT IS NOT TO BE DISCLOSED OUTSIDE THE BUREAU AS IT MIGHT COMPROMISE THE INFORMANT AND PLACE HIM IN JEOPARDY.

The following information was received from [redacted] regarding LCN members and hoodlum associates:

b7D

- 3 - Bureau (RM)
 - (2 - 92-6054)
 - (1 - [redacted])
- 1 - Boston (Info) (RM)
- 2 - Chicago (RM)
- 2 - Cleveland (RM)
- 2 - Denver (RM)
- 2 - Detroit (RM)
- 1 - Kansas City (Info) (RM)
- 2 - Las Vegas (RM)
- 2 - Los Angeles (RM)
- ② - Milwaukee (RM)
- 2 - Miami (RM)
- 2 - Newark (RM)
- 1 - New Orleans (Info) (RM)
- 3 - New York (RM)
 - (2 - 92-2300)
 - (1 - [redacted])
- 2 - Phoenix (RM)
- 1 - Sacramento (Info) (RM)
- 2 - St. Louis (RM)
- 2 - San Francisco (RM)
- 2 - Tampa (RM)
- 3 - San Diego
 - (2 - 92-229)
 - (1 - [redacted])

FOIA/PA

DO NOT DESTROY SERIAL 2084
PRIOR TO 3-99

b7D

92-262-2084

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 2 1974	
FBI-MILWAUKEE	

Murphy

b7D

JDA:bk
(39)

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan



SD 92-229

I. LOS ANGELES DIVISION

1. [] Gang

Informant continued to report that [] and

[]

Informant reported on the weekend of 7/9/74 the following []

[]

They were accompanied by []

[] is the []
[] well known Los Angeles hoodlum now heading
Ward-Tex.

Informant advised that []

[]

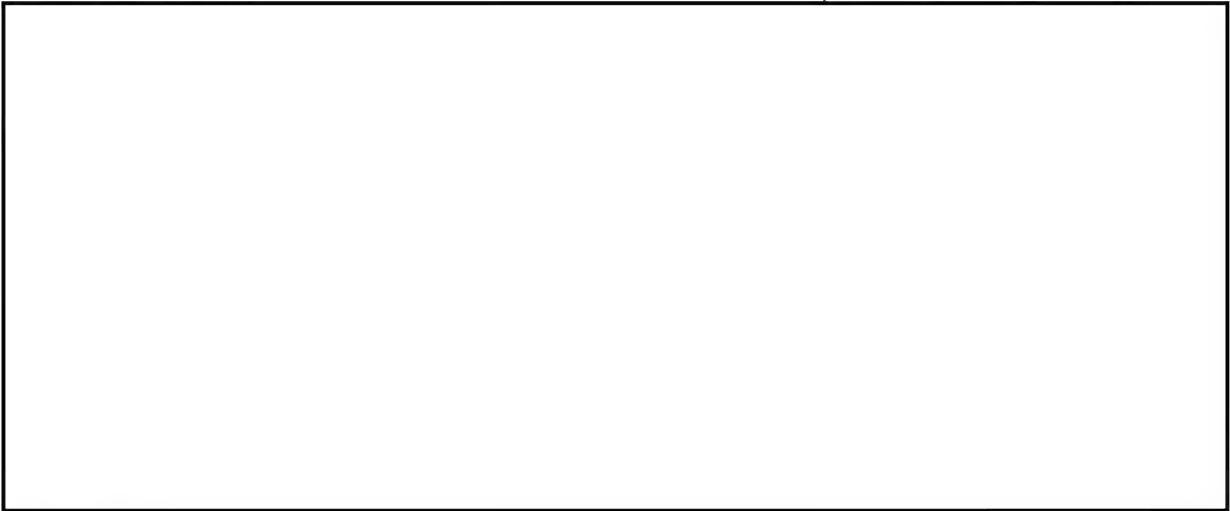
b6
b7C
b7D

b6
b7C
b7D

b6
b7C

b6
b7C
b7D

SD 92-229



b6
b7C
b7D

LEADS


All offices are requested to furnish any photographs or lead information which can be used to question the informant on hoodlum and LCN members of which he might be knowledgeable.

NEW YORK

AT NEW YORK, NEW YORK. Identify subscribers to New York telephone numbers:



b6
b7C

These numbers called by  on 7/28/74 from San Diego.

ABOVE INFORMATION SHOULD BE HANDLED IN A MOST CIRCUMSPECT MANNER AND UNLESS SOURCE IS WELL CONCEALED, REPORTED ONLY ON THE ADMINISTRATIVE PAGES OF THE REPORT IN WHICH IT IS USED. SUCH INFORMATION FROM THIS INFORMANT IS NOT TO BE DISCLOSED OUTSIDE THE BUREAU AS IT MIGHT COMPROMISE THE INFORMANT AND PLACE HIM IN JEOPARDY.

File—Serial Charge Out

FD-5 (Rev. 6-17-70)

e48-16-63475-1 GPO

File _____ Class _____ Case No. _____ Last Serial _____ Date _____

Class.

Case No.

Last Serial

Date

☐

Pending

☐

Closed

Serial No.

Description of Serial

Date

Charged

2085 transferred to

92-262-Sub B

Employee

RECHARGE

Date

To _____ From _____

Initials of Clerk

{ _____

Date

{ _____

Date Charged

Employee

Location

File—Serial Charge Out
FD-5 (Rev. 6-17-70)

e43-16-53475-1 GPO

File _____ Class. _____ Case No. _____ Last Serial _____ Date _____

☐ Pending

☐ Closed

Serial No.	Description of Serial	Date Charged
------------	-----------------------	--------------

2084-2089	transferred	
	to 92-262-Sub-B	

Employee

RECHARGE

Date _____

To _____ From _____

Initials of Clerk { _____

Date { _____

Employee

Date Charged

Location

airtel

10/23/74

To: SACs, Albany
Baltimore
Boston
Buffalo
Chicago
Cincinnati
Cleveland
Dallas
Denver
Detroit
Indianapolis
Jacksonville
Kansas City
Las Vegas
Los Angeles

Miami
Milwaukee
New York
Newark
New Haven
New Orleans
Philadelphia
Phoenix
Pittsburgh
Sacramento
St. Louis
San Diego
San Francisco
Springfield
Tampa

From: Director, FBI

LA COSA NOSTRA
AR - CONSPIRACY
OO: New York

92-1022
92-262

LA COSA NOSTRA
MURDER AR 92-1119

All offices receiving this communication are to submit reports setting forth developments in your respective investigations of captioned organization to reach the Bureau by November 26, 1974. Each office is to send two copies of their report to the New York office. Reports are to be prepared in compliance with instructions previously set forth in connection with this investigation.

New York, in addition to preparing its general report relative to La Cosa Nostra, is to prepare a summary report following the same outline utilized in previous years. It will not be necessary for New York to include in the summary report a "membership" section setting out the

92-262-2090

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 25 1974	
FBI - MILWAUKEE	

re: reply

Airtel to Albany
Re: La Cosa Nostra

identities of "soldiers," "proposed members," and/or
"suspected members," as has been the case in previous years.

All offices are to include in the Administrative Pages of their respective reports names of La Cosa Nostra members concerning whom La Cosa Nostra Membership Index Cards have not been submitted to the Bureau. New York should include this information in the Administrative Pages of its summary report.

New York summary report should be submitted to reach the Bureau by December 27, 1974.

File—Serial Charge Out

FD-5 (Rev. 6-17-70)

48-16-83475-1 GPO

File _____ Class. _____ Case No. _____ Last Serial _____ Date _____

Class.

Case No.

Last Serial

Date

☐ Pending

☐ Closed

Serial No.

Description of Serial

Date Charged

2091 transferred to

92-262-Sub A

Employee

RECHARGE

Date

To _____ From _____

Initials of Clerk

{ _____

Date

{ _____

Date Charged

Employee

Location